

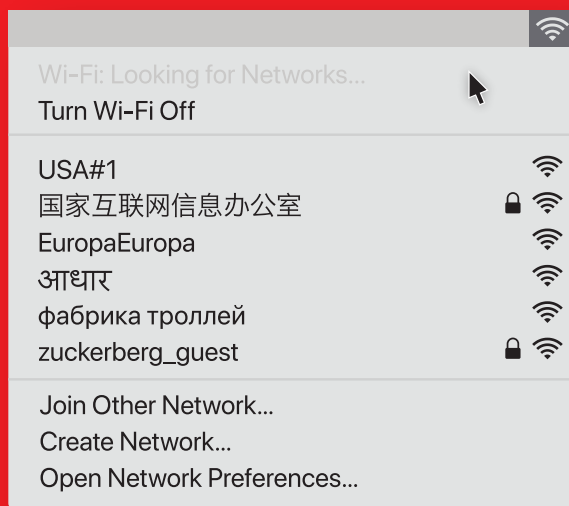
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## CONTRIBUTORS

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**NANDAN NILEKANI** co-founded Infosys in 1981, when he was just 26 years old; it eventually became one of the largest information technology companies in India and was the first Indian firm to be listed on the New York Stock Exchange. In 2009, Nilekani left Infosys and took charge of a government program known as Aadhaar, the world's largest biometric identification project. In "Data to the People" (page 19), he makes the case that this and other Indian innovations show how state action can democratize the Internet.



**HELEN DIXON** spent the first part of her career working in the technology industry. Now, she regulates it. Dixon is the data protection commissioner for Ireland, which is home to the European headquarters of the world's largest technology companies. That makes her one of the chief enforcers of Europe's new General Data Protection Regulation. In "Regulate to Liberate" (page 28), she argues that the EU's approach to protecting privacy online can serve as a blueprint for the rest of the world—and help preserve freedom and dignity in the Internet era.



Having grown up between South Korea and the United States, **HAHM CHAIBONG** has spent much of his life seeking to explain South Korea's modern identity and place in contemporary East Asia. A former professor at South Korea's Yonsei University, Hahm now serves as president of the Asan Institute for Policy Studies, in Seoul. In "China's Future Is South Korea's Present" (page 177), Hahm argues that President Xi Jinping's China may follow in the footsteps of South Korea under Park Chung-hee, whose consolidation of power ultimately led to political liberalization.



**WENDY SHERMAN** has shaped U.S. nuclear policy in two presidential administrations, but she began her career as a social worker in Baltimore. During a stint at the State Department in the 1990s, she helped coordinate the Clinton administration's efforts to halt North Korea's nuclear program. In 2011, she returned to Foggy Bottom as undersecretary of state for political affairs and came to lead the U.S. team negotiating with Iran over its nuclear program. In "How We Got the Iran Deal" (page 186), Sherman tells the inside story of the negotiations and warns of the disastrous consequences of abandoning it.





# WORLD WAR WEB

**H**istory is filled with supposed lost utopias, and there is no greater cliché than to see one's own era as a lamentable decline from a previous golden age. Sometimes, however, clichés are right. And as we explored the Internet's future for this issue's lead package, it became clear this was one of those times. Contemplating where we have come from digitally and where we are heading, it's hard not to feel increasingly wistful and nostalgic.

The last few decades have witnessed the growth of an American-sponsored Internet open to all, and that has helped tie the world together, bringing wide-ranging benefits to billions. But that was then; conditions have changed.

Other great powers are contesting U.S. digital leadership, pushing their own national priorities. Security threats appear and evolve constantly. Platforms that were supposed to expand and enrich the marketplace of ideas have been hijacked by trolls and bots and flooded with disinformation. And real power is increasingly concentrated in the hands of a few private tech giants, whose self-interested choices have dramatic consequences for the entire world around them.

Whatever emerges from this melee, it will be different from, and in many ways worse than, what we have now.

Adam Segal paints the big picture well. "The Internet has long been an American project," he writes. "Yet today, the United States has ceded leadership in cyberspace to China." What will happen if Beijing continues its online

ascent? "The Internet will be less global and less open. A major part of it will run Chinese applications over Chinese-made hardware. And Beijing will reap the economic, diplomatic, national security, and intelligence benefits that once flowed to Washington."

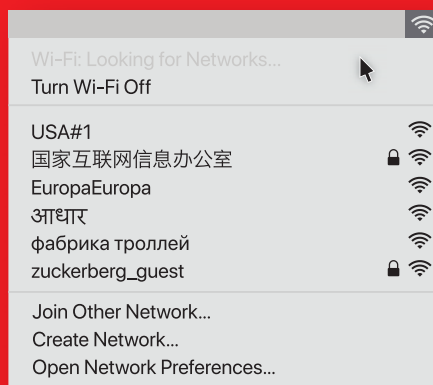
Nandan Nilekani, a co-founder of Infosys, outlines India's unique approach to these issues, which is based on treating "digital infrastructure as a public good and data as something that citizens deserve access to." Helen Dixon, Ireland's data protection commissioner, presents a European perspective, arguing that giving individuals control over their own data—as the General Data Protection Regulation, the EU's historic new regulatory effort, aims to do—is essential to restoring the Internet's promise. And Karen Kornbluh, a veteran U.S. policymaker, describes how the United States dropped the digital ball and what it could do to pick it up again.

Finally, Michèle Flournoy and Michael Sulmeyer explain the new realities of cyberwarfare, and Viktor Mayer-Schönberger and Thomas Rame consider the problems caused by Big Tech's hoarding of data and what can be done to address it.

A generation from now, people across the globe will no doubt revel in the benefits the Internet has brought. But the more thoughtful among them will also lament the eclipse of the founders' idealistic vision and dream of a world connected the way it could—and should—have been.

—Gideon Rose, *Editor*

*The last few decades have witnessed the growth of an American-sponsored Internet open to all. But that was then; conditions have changed.*



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# When China Rules the Web

## Technology in Service of the State

*Adam Segal*

For almost five decades, the United States has guided the growth of the Internet. From its origins as a small Pentagon program to its status as a global platform that connects more than half of the world's population and tens of billions of devices, the Internet has long been an American project. Yet today, the United States has ceded leadership in cyberspace to China. Chinese President Xi Jinping has outlined his plans to turn China into a "cyber-superpower." Already, more people in China have access to the Internet than in any other country, but Xi has grander plans. Through domestic regulations, technological innovation, and foreign policy, China aims to build an "impregnable" cyberdefense system, give itself a greater voice in Internet governance, foster more world-class companies, and lead the globe in advanced technologies.

China's continued rise as a cyber-superpower is not guaranteed. Top-down, state-led efforts at innovation in artificial intelligence, quantum computing, robotics, and other ambitious technologies may well fail. Chinese technology companies will face economic and political pressures as they globalize. Chinese

citizens, although they appear to have little expectation of privacy from their government, may demand more from private firms. The United States may reenergize its own digital diplomacy, and the U.S. economy may rediscover the dynamism that allowed it create so much of the modern world's technology.

But given China's size and technological sophistication, Beijing has a good chance of succeeding—thereby remaking cyberspace in its own image. If this happens, the Internet will be less global and less open. A major part of it will run Chinese applications over Chinese-made hardware. And Beijing will reap the economic, diplomatic, national security, and intelligence benefits that once flowed to Washington.

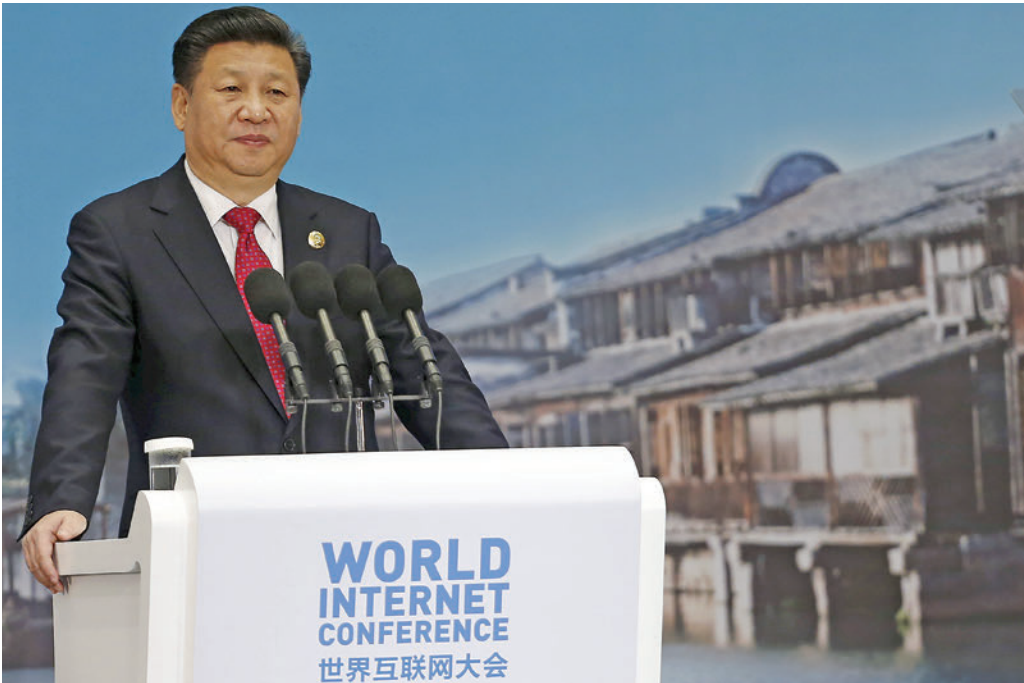
### XI'S VISION

Almost from the moment he took power in 2012, Xi made it clear just how big a role the Internet played in his vision for China. After years of inertia, during which cyber-policy was fragmented among a wide array of government departments, Xi announced that he would chair a so-called central leading group on Internet security and informatization and drive policy from the top. He established a new agency, the Cyberspace Administration of China, and gave it responsibility for controlling online content, bolstering cybersecurity, and developing the digital economy.

Cyberpower sits at the intersection of four Chinese national priorities. First, Chinese leaders want to ensure a harmonious Internet. That means one that guides public opinion, supports good governance, and fosters economic growth but also is tightly controlled so as to stymie political mobilization and prevent the flow of information that could undermine the regime.

**ADAM SEGAL** is Ira A. Lipman Chair in Emerging Technologies and National Security at the Council on Foreign Relations.





*The Internet with Chinese characteristics: Xi at the World Internet Conference, December 2017*

Second, China wants to reduce its dependence on foreign suppliers of digital and communications equipment. It hopes to eventually lead the world in advanced technologies such as artificial intelligence, quantum computing, and robotics. As Xi warned in May, “Initiatives of innovation and development must be securely kept in our own hands.”

Third, Chinese policymakers, like their counterparts around the world, are increasingly wary of the risk of cyberattacks on governmental and private networks that could disrupt critical services, hurt economic growth, and even cause physical destruction. Accordingly, the People’s Liberation Army has announced plans to speed up the development of its cyber-forces and beef up China’s network defenses. This focus on cybersecurity overlaps with China’s techno-nationalism: Chinese policymakers believe they have to reduce

China’s dependence on U.S. technology companies to ensure its national security, a belief that was strengthened in 2013, when Edward Snowden, a former contractor with the U.S. National Security Agency, revealed that U.S. intelligence services had accessed the data of millions of people that was held and transmitted by U.S. companies.

Finally, China has promoted “cyber-sovereignty” as an organizing principle of Internet governance, in direct opposition to U.S. support for a global, open Internet. In Xi’s words, cyber-sovereignty represents “the right of individual countries to independently choose their own path of cyber development, model of cyber regulation and Internet public policies, and participate in international cyberspace governance on an equal footing.” China envisions a world of national Internets, with government control justified by the sovereign rights

of states. It also wants to weaken the bottom-up, private-sector-led model of Internet governance championed by the United States and its allies, a model Beijing sees as dominated by Western technology companies and civil society organizations. Chinese policymakers believe they would have a larger say in regulating information technology and defining the global rules for cyberspace if the UN played a larger role in Internet governance. All four of Beijing's priorities require China to act aggressively to shape cyberspace at home and on the global stage.

### **THE END OF THE OPEN INTERNET**

The Xi era will be remembered for putting an end to the West's naive optimism about the liberalizing potential of the Internet. Over the last five years, Beijing has significantly tightened controls on websites and social media. In March 2017, for example, the government told Tencent, the second largest of China's digital giants, and other Chinese technology companies to shut down websites they hosted that included discussions on history, international affairs, and the military. A few months later, Tencent, the search company Baidu, and the micro-blogging site Weibo were fined for hosting banned content in the run-up to the 19th Party Congress. Officials ordered telecommunications companies to block virtual private networks (VPNs), which are widely used by Chinese businesses, entrepreneurs, and academics to circumvent government censors. Even Western companies complied: Apple removed VPNs from the Chinese version of its App Store. Beijing also announced new regulations further limiting online anonymity and making the organizers of online forums

personally accountable for the contributions of their members.

Chinese censors are now skilled at controlling conversations on social media. In 2017, as the dissident and Nobel Peace Prize laureate Liu Xiaobo became increasingly ill, censors revealed that they could delete his image from chats. In an even more Orwellian move, authorities have rolled out a sophisticated surveillance system based on a vast array of cameras and sensors, aided by facial and voice recognition software and artificial intelligence. The tool has been deployed most extensively in Xinjiang Province, in an effort to track the Muslim Uighur population there, but the government is working to scale it up nationwide.

In addition to employing censorship and surveillance, China has also created an interlocking framework of laws, regulations, and standards to increase cybersecurity and safeguard data in governmental and private systems. The government has enacted measures to protect important Internet infrastructure, it has mandated security reviews for network products and services, and it has required companies to store data within China, where the government will face few obstacles to accessing it. Beijing has also introduced new regulations concerning how government agencies respond to cybersecurity incidents, how and when the government discloses software vulnerabilities to the private sector, and how ministries and private companies share information about threats.

Different agencies and local governments could interpret and implement these policies in different ways, but at the least, the regulations will raise the cost and complexity of doing business in China for both domestic and foreign

technology companies. Draft regulations published in July 2017 were particularly broad, defining “critical information infrastructure” to cover not only traditional categories such as communications, financial, and energy networks but also the news media, health-care companies, and cloud-computing providers. Baidu, Tencent, and Weibo have already been fined for violating the new cybersecurity laws. Foreign companies worry that an expansive interpretation of the requirements for inspections of equipment and storing data within China will raise costs and could allow the Chinese government to steal their intellectual property.

#### **MADE IN CHINA**

Chinese policymakers believe that to be truly secure, China must achieve technological self-sufficiency. Small wonder, then, that support for science and technology is front and center in the country’s most recent five-year plan, which began in 2016. China’s investment in research and development has grown by an average of 20 percent a year since 1999. It now stands at approximately \$233 billion, or 20 percent of total world R & D spending. More students graduate with science and engineering degrees in China than anywhere else in the world, and in 2018, China overtook the United States in terms of the total number of scientific publications. Western scientists have long ignored Chinese research, but they are now citing a growing number of Chinese publications.

Three technologies will matter most for China’s ability to shape the future of cyberspace: semiconductors, quantum computing, and artificial intelligence. For years, Beijing has tried and failed to build an indigenous industry producing semi-

conductors, that is, the integrated circuits (or microchips) found in nearly every technological device. In 2016, China imported \$228 billion worth of integrated circuits—more than it spent on imported oil—accounting for over 90 percent of its consumption, according to the consultancy McKinsey. The risk of relying on U.S. suppliers was brought home this April, when the Trump administration sanctioned ZTE, the world’s fourth-largest maker of telecommunications gear. ZTE relies on U.S.-made components, including microchips to power its wireless stations. When the sanctions cut the company off from its supplies, it ceased major operations. In June, Trump reversed course on the sanctions, but the move did little to assuage Chinese concerns about dependence on foreign suppliers. Soon after the sanctions were announced, Xi called on a gathering of the country’s top scientists to make breakthroughs on core technologies.

In 2015, China issued guidelines that aim to get Chinese firms to produce 70 percent of the microchips used by Chinese industry by 2025. Since then, the government has subsidized domestic and foreign companies that move their operations to China and encouraged domestic consumers to buy from only Chinese suppliers. The government has committed \$150 billion over the next decade to improve China’s ability to design and manufacture advanced microprocessors. China has also acquired technologies abroad. According to the Rhodium Group, a research firm, from 2013 to 2016, Chinese companies made 27 attempted bids for U.S. semiconductor companies worth more than \$37 billion in total, compared with six deals worth \$214 million from 2000 to 2013. Yet these attempts have run into problems: many



of the high-profile bids, including a \$1.3 billion offer for Lattice Semiconductor and a \$2.4 billion deal for Fairchild Semiconductor, were blocked by the U.S. government on national security grounds.

Then there is quantum computing, which uses the laws of quantum mechanics—essentially the ability of quantum bits, or “qubits,” to perform several calculations at the same time—to solve certain problems that ordinary computers cannot. Advances in this area could allow Chinese intelligence services to create highly secure encrypted communications channels and break most conventional encryption. High-speed quantum computers could also have major economic benefits, remaking manufacturing, data analytics, and the process of developing drugs. In 2016, China launched the world’s first satellite that can communicate using channels secured by quantum cryptography and constructed the world’s longest quantum communications cable, connecting Beijing and Shanghai. It’s not clear how much China spends on quantum computing, but the sums are certainly substantial. It is spending \$1 billion alone on one quantum computing laboratory.

More than its investments in semiconductor research and quantum computing, it is China’s ambitious plans in artificial intelligence that have caused the most unease in the West. At an artificial intelligence summit last year, Eric Schmidt, the former chair of Google, said of the Chinese, “By 2020, they will have caught up. By 2025, they will be better than us. And by 2030, they will dominate the industries of AI.” China is racing to harness artificial intelligence for military uses, including autonomous drone swarms, software that can defend itself against cyberattacks, and

programs that mine social media to predict political movements.

In 2017, the Chinese government outlined its road map for turning itself into the “world’s primary AI innovation center” by 2030. The plan is more a wish list than a concrete strategy, but it does provide direction to central ministries and local governments on how to invest to achieve breakthroughs by highlighting specific fields for research and development. The government has singled out Baidu, Tencent, the e-commerce giant Alibaba, and the voice recognition software company iFLYTEK as national champions in AI, identifying these companies as the first group to develop systems that can drive autonomous cars, diagnose diseases, act as intelligent voice assistants, and manage smart cities, that is, urban spaces that use a wide variety of sensors to collect data on how people live and then analyze that data to reduce cities’ environmental impact, spur economic development, and improve people’s quality of life.

China is also striving to define international standards for the next wave of innovation, especially in fifth-generation mobile network technology, or 5G, which will offer much faster Internet speeds to mobile users and enable new uses for Internet-connected devices. To many Chinese leaders, China’s current place in the global division of labor looks like a trap: foreign firms reap high profits from the intellectual property they own, and Chinese companies survive on the thin margins they make by manufacturing and assembling physical products. If China can control technology standards, it will ensure that its firms receive royalties and licensing profits as others develop products that plug into Chinese-owned platforms.

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Over the last decade, Beijing has increased the skill, sophistication, and size of the delegations it sends to standards organizations. China was essentially absent for the discussions about third- and fourth-generation mobile network technologies, but things have changed. In 2016, Huawei, China's largest telecommunications company, sent twice as many representatives as any other company to the meeting in Vienna that defined the specifications for the coming fifth generation of mobile networks.

### **GOVERNING THE INTERNET**

Under Xi, China has also tried to shape the international institutions and norms that govern cyberspace. For much of the last decade, Chinese hackers de facto set those norms by engaging in massive cyber-espionage campaigns designed to steal military, political, and, worst of all in the eyes of the United States, industrial secrets. The Obama administration pressed Beijing on the subject, publicly attributing attacks on U.S. companies to state-backed hackers and threatening to sanction senior officials. In 2015, the two sides agreed that neither would support digital theft for commercial advantage. China went on to sign similar agreements with Australia, Canada, Germany, and the United Kingdom. There was a marked downturn in activity in the wake of these agreements, but the decline seems to have been as much a result of a reorganization within the Chinese military as of U.S. diplomatic efforts. Now that the People's Liberation Army has consolidated control over its cyber-forces, industrial espionage has shifted to more sophisticated hackers in China's intelligence agencies.

China's more visible efforts at writing the rules of the road for cyberspace have centered on the UN. Washington and its allies have promoted a distributed model of Internet governance that involves technical bodies, the private sector, civil society, and governments, whereas Beijing prefers a state-centric vision. In 2017, for example, China called for "a multilateral approach to governing cyberspace, with the United Nations taking a leading role in building international consensus on rules." Beijing believes a multilateral approach located at the UN has two immediate benefits. It would prioritize the interests of governments over those of technology companies and civil society groups. And it would allow China to mobilize the votes of developing countries, many of which would also like to control the Internet and the free flow of information.

Beijing has resisted U.S. efforts to apply international law, especially the laws of armed conflict, to cyberspace. A forum at the UN known as the Group of Governmental Experts has identified some rules of behavior for states in a series of meetings and reports from 2004 to 2017. Although in the 2013 report, Chinese diplomats accepted that international law and the UN Charter apply to cyberspace, and in 2015, they agreed to four norms of state behavior, they dragged their feet on discussions of exactly how neutrality, proportionality, the right of self-defense, and other concepts from international law might be applied to conflict in cyberspace. They argued instead that discussing international law would lead to the militarization of cyberspace. Chinese diplomats, along with their Russian counterparts, stressed the need for the peaceful settlement of disputes.



In 2017, the participating countries in the Group of Governmental Experts failed to issue a follow-on report in part because China and Russia opposed language endorsing the right of self-defense.

In addition to working through the UN, Chinese policymakers have created their own venue to showcase their vision for the Internet and strengthen their voice in its governance: the World Internet Conference, held annually in Wuzhen. In 2017, Tim Cook and Sundar Pichai, the chief executives of Apple and Google, respectively, attended for the first time. Cook, a vocal defender of privacy and free speech at home, stated that Apple shared China's vision for "developing a digital economy for openness and shared benefits." By echoing Chinese officials' language on openness despite the tight controls on the Internet in China, Cook was signaling Apple's willingness to play by Beijing's rules.

Beijing is likely to have its biggest impact on global Internet governance through its trade and investment policies, especially as part of the Belt and Road Initiative, a massive effort to build infrastructure connecting China to the Indian Ocean, the Persian Gulf, and Europe. Along with the more than \$50 billion that has flowed into railways, roads, pipelines, ports, mines, and utilities along the route, officials have stressed the need for Chinese companies to build a "digital Silk Road": fiber-optic cables, mobile networks, satellite relay stations, data centers, and smart cities.

Much of the activity along the nascent digital Silk Road has come from technology companies and industry alliances, not the Chinese government. Alibaba has framed its expansion into Southeast Asia as part of the Belt and Road Initiative. It

has acquired the Pakistani e-commerce company Daraz and launched a digital free-trade zone with the support of the Malaysian and Thai governments, which will ease customs checks, provide logistical support for companies, and promote exports from small and medium-sized companies in Malaysia and Thailand to China. ZTE now operates in over 50 of the 64 countries on the route of the Belt and Road Initiative. As well as laying fiber-optic cables and setting up mobile networks, the company has been providing surveillance, mapping, cloud storage, and data analysis services to cities in Ethiopia, Nigeria, Laos, Sri Lanka, Sudan, and Turkey.

The Chinese government hopes that these enterprises will give it political influence throughout the region. But private firms are focused on profit, and Beijing has not always succeeded in converting business relationships into political heft, even when the projects have involved state-run enterprises, since these firms also often pursue commercial interests that conflict with diplomatic goals. In the short term, however, the presence of Chinese engineers, managers, and diplomats will reinforce a tendency among developing countries, especially those with authoritarian governments, to embrace China's closed conception of the Internet.

## **THE FUTURE IS CHINESE**

Beijing's vision of the Internet is ascendant. According to the think tank Freedom House, Internet freedom—how easily people can access the Internet and use it to speak their minds—has declined for the last seven years. More countries are pushing companies to store data on their citizens within their borders (which

companies resist because doing so raises costs and reduces their ability to protect the privacy of their users) and to allow the government to carry out security reviews of their network equipment. Each country pursues these policies in support of its own ends, but they all can turn to China for material, technical, and political support.

The United States' position at the center of the global Internet brought it major economic, military, and intelligence benefits. U.S. companies developed the routers and servers that carry the world's data, the phones and personal computers that people use to communicate, and the software that serves as a gateway to the Internet. In a similar way, the Chinese Communist Party sees technology companies as a source of economic dynamism and soft power. And so it is increasing its political control over Chinese technology giants. As those companies come to supply more of the world's digital infrastructure, China's spy services will be tempted to collect data from them.

Chinese technology companies have several advantages: access to a lot of data with few restrictions on how they can use it, talented workers, and government support. But the country's legacy of central planning may lead companies to overinvest, build redundant operations, and stifle their employees' creativity. And Chinese technology firms have become the targets of political pressure in Australia, the United States, and Europe. The Australian government is considering banning Huawei from supplying equipment for Australia's fifth-generation mobile networks. Washington is working to limit Chinese investment in U.S. technology companies and has made it more difficult for Chinese telecommunications

firms to do business in the United States: it has blocked China Mobile's application to provide telecommunications services in the United States, banned the sale of Huawei and ZTE smartphones on U.S. military bases, and sought to prohibit U.S. telecommunications companies from spending critical infrastructure funds on equipment and services from China.

Yet none of these challenges is likely to deal a fatal blow to China's digital ambitions. The country is too large, too powerful, and too sophisticated. To prepare for greater Chinese control over the Internet, the United States should work with its allies and trading partners to pressure Beijing to open up the Chinese market to foreign companies, curb its preferential treatment of Chinese firms, and better protect foreign companies' intellectual property. U.S. policymakers should shift from simply defending the bottom-up, private-sector-led model of Internet governance to offering a positive vision that provides developing countries with realistic alternatives to working solely through the UN. Washington should talk to Beijing directly about norms of state behavior in cyberspace. The two countries should work together on setting global standards for government purchases of technology, determining how companies should secure their supply chains against cyberattacks, and planning government inspections of critical communications equipment. Yet these efforts will only shape trends, not reverse them. Whatever Washington does, the future of cyberspace will be much less American and much more Chinese. 🌐

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# Data to the People

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## India's Inclusive Internet

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*Nandan Nilekani*

**D**ata, the techno-optimists are fond of saying, is the new oil. It is the fuel of the modern economy, a valuable commodity that can be bought and sold, and a strategic resource for nations. Indeed, digital assets now matter far more than physical ones. As the writer Tom Goodwin has pointed out, "Uber, the world's largest taxi company, owns no vehicles. Facebook, the world's most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the world's largest accommodation provider, owns no real estate." As with oil in another era, the market today has generously rewarded those who have best captured data. In 2006, three of the world's six most valuable public firms were oil companies, and just one was a technology company. By 2016, only one oil company remained in the top six. The rest were tech giants.

But the oil metaphor has turned out to be inaccurate—not because it overhyped the role of data but because it failed to warn us just how pervasive and problematic our relationship with data would become. The Internet, it has become clear, is not so free, after all; users are paying in the form of personal information, which is collected by "data brokers" and sold to third parties. Earlier this year, news broke that the political

consulting firm Cambridge Analytica had harvested personal data from tens of millions of Facebook users and sold it to political campaigns. The scandal showed how malicious actors could wield data to threaten the democratic process, and it led to a congressional hearing featuring an apologetic Mark Zuckerberg, the CEO of Facebook, and prompted broader soul-searching about the power of massive technology companies. At its peak, Standard Oil could influence what people paid for fuel, but today's big technology companies can influence what people think.

The world is beginning to suspect that the basic incentive structure of the Internet itself may be flawed. Many online businesses face a deep underlying conflict between their own interests and those of their users. Just as concerns about unaccountable oil monopolies at the beginning of the twentieth century led to new antitrust measures, concerns today about the growing power of the companies that collect and sell personal data have led to calls for governments to fundamentally rethink their approach to regulating the Internet. As they do so, they cannot afford to ignore the one country leading the way in developing a new model of how citizens relate to the Internet, a place that treats digital infrastructure as a public good and data as something that citizens deserve access to: India.

### THE STATE AND THE WEB

Different governments have approached the question of Internet regulation in very different ways. The United States has taken a market-centric approach, with light or no regulations, allowing innovators room to grow rapidly. Consider what

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*Wired* has called “the most important law in tech”: Section 230 of the Communications Decency Act of 1996, which stipulates that online platforms, unlike their analog counterparts, are not liable for the content posted by their users. By exempting Facebook, Google, Twitter, and others from stifling legal and regulatory risks, the provision powered the rapid growth of the U.S. technology industry. But it also absolved those companies of any blame regarding what third parties were doing with users’ data.

Europe has taken a more activist approach to Internet regulation, especially when it comes to privacy. In May of this year, the EU’s General Data Protection Regulation, or GDPR, went into effect. Before the law, citizens signing up for an online service were required to educate themselves about their rights and what they were consenting to. In a major improvement, the GDPR shifts the burden for privacy and security onto to the service providers. It establishes strict rules governing how firms collect and handle personal data and sets forth steep fines for violations. But it’s important to recognize that the GDPR is primarily a legal solution; it can only seek to deter, not prevent, malicious actors from putting their business needs over the interests of the user.

It is in Asia, however, where the future of the Internet is most likely to be written. China and India are the two largest markets for the Internet in the world, with 772 million and 481 million users, respectively. They are also the top two smartphone markets, and together they constitute 39 percent of the world’s 830 million youth on the Internet. As developing countries, both are free of

the baggage of legacy systems that the Internet had to disrupt. Take the rise of online payments in China: a country that just five years ago still predominantly used cash now sends \$9 trillion annually in mobile payments. Americans, who aren’t yet as savvy at conducting financial transactions on their phones, send just \$49 billion via mobile transfers annually. For the developing world, digital technologies represent a palette of possibilities on a blank state.

Although both China and India understood that the Internet would have a huge impact on their economies, they have charted two very different courses for regulating it. China sees the Internet as something to be controlled and censored. Under the banner of “cyber-sovereignty,” the government has attempted to keep Chinese cyberspace cordoned off from the larger Web and to control the information available to its citizens. Famously, it has built “the Great Firewall,” which blocks access to foreign websites and platforms. But because there are cracks in the wall—foolproof controls are difficult for any government to impose—China also relies on the cooperation of private companies, which show little resistance to sharing data with the government. Alibaba and WeChat are competing to provide a digital version of China’s national identity card, required for everything from opening a bank account to getting a driver’s license. Chinese firms have even begun participating in the government’s “social credit” system, whereby people are rewarded for good behavior, such as conserving energy, and penalized for bad behavior, such as spreading online rumors.



*The state will see you now: at an Aadhaar registration center in New Delhi, January 2018*

Chinese officials claim that their objective isn't simply to protect personal information but to protect national security, too. Accordingly, this past January, the government announced new national standards on the protection of personal information that, compared with the GDPR, cover more types of data and require more stringent security precautions. The rules also mandate that certain data must remain inside China's borders at all times, so that the government has jurisdiction over its use.

It is easy to dismiss the Chinese approach as authoritarian. And indeed, the government has used its control to stifle discontent. But Beijing can rightly assert that it has created local competition for Big Tech. China is the only country to create rivals that match the size of the U.S. tech giants, with the homegrown companies Alibaba, Baidu, and Tencent. Beijing can also point out that it is

managing to restrict some of the bad effects of the data economy: for example, thanks to the government's constant monitoring of content, outsiders would have an extremely hard time influencing politics in China. This heavy-handed approach may or may not work, but many nations will look to China's model as they seek to control cyberspace in their own countries.

India believes the solution lies in a different approach. Instead of seeking to exert tighter control over the Internet within its borders, the country has created open digital platforms from scratch and tailored them to the Indian context. And instead of leaving them in the hands of a few private technology companies, the Indian government has built these systems as public goods.

### **IDENTITY FOR ALL**

This approach was pioneered in 2009, when India decided to establish a national

identity system. Back then, the system for distributing subsidies, largely run on paper and documented in handwritten ledgers, was rife with corruption. A major upgrade was needed; merely replacing ledgers with spreadsheets wasn't going to work. The root problem was the lack of a trustworthy identity for every resident. If everyone had a trustworthy identity, the thinking went, people would have an easier time opening bank accounts, obtaining credit, and enrolling in social welfare programs.

Thus was born Aadhaar, the world's largest biometric ID project, a government program that I headed until 2014. Those who sign up for an Aadhaar number—a unique, randomly generated string of 12 digits—must have their faces photographed, their fingerprints taken, and their irises scanned. That ensures that there are no duplicates or fakes, creating a highly trustworthy database. The system also includes a publicly available interface, or open API, which allows any licensed service provider to verify if users are who they claim to be. People can use Aadhaar to open bank accounts, buy SIM cards, receive entitlements from the government, sign forms electronically, invest in mutual funds, get credit, rent bicycles, and more.

Aadhaar, whose name translates as “foundation” in Hindi and other Indian languages, was the first “foundational ID” issued by the government of India. Unlike a driver's license or a passport, foundational IDs come with no specified purpose or attached entitlement. Aadhaar numbers have no defined function, and simply getting one doesn't automatically make a person eligible for any subsidy. Anyone and everyone who is a resident of India can get an Aadhaar number,

and it lets a person prove just one fact: “I am me.”

Aadhaar has become the foundation of a host of transformative projects within the government. In 2014, the government launched the Prime Minister's People's Wealth Scheme, which gives low-cost, no-frills bank accounts to the underserved, provided they can supply details about their identity. From 2014 to 2017, the number of simple bank accounts such as these in the country grew tenfold, from 30 million to 300 million, thanks partly to the availability of Aadhaar authentication. Another program, the Direct Benefit Transfer, allows the federal government to place subsidies—scholarships, money for fuel, pensions, and so on—directly into the bank accounts of poor Indians, rather than go through numerous middlemen, who invariably take their own cut. Because a recipient can tie his bank account to his Aadhaar number, the government can be sure that it has sent money to a unique individual just once, thus eliminating the problem of double dipping and other forms of corruption.

Within five and a half years after its launch in 2009, Aadhaar had reached one billion users—an especially impressive achievement given that enrollment requires biometric registration. Today, it has 1.21 billion enrollees and counting, and every month, it processes around one billion authentications. Since Aadhaar's inception, the government has sent payments from 432 different benefit schemes totaling over \$57 billion through 3.2 billion direct transfers, saving the government \$13 billion. More than 500 million unique people have had their identities authenticated through the open API at least once.

Aadhaar is not a silver bullet, however. Critics have pointed out that some people have a harder time proving their identity. Manual laborers, for example, often have calloused hands that fingerprint scanners are unable to read reliably. There are technological solutions to this problem, such as relying on Aadhaar's iris scanning or face identification function to verify an identity in lieu of fingerprints, but there often isn't the expertise to use it. So the real solution is to invest in training and manpower so that these cases can be dealt with on the ground.

Aadhaar has also come under fire for threatening privacy. Critics have argued that a single identification number, by its very existence, threatens the privacy of those who hold it, because it allegedly gives the state the ability to profile and surveil them. Earlier this year, the Supreme Court of India began presiding over a landmark case to decide if this argument holds any merit. Here again, technology can help ameliorate the problem, but the real threat to Indians' privacy comes in spite of Aadhaar, not because of it. India desperately needs to put in place a law that protects its citizens from the wrongful use of their personal data. And because the average Indian is apathetic about the protection of personal data, India needs to do more to make its people aware of the rights they do have.

### DIGITAL PUBLIC GOODS

Aadhaar exemplifies India's commitment to the notion that digital infrastructure should be a public good. That is not how much of the world's digital infrastructure is conceived of. Online identity forms the foundation of trust for all the services people use on the



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Internet, yet for now, the two biggest providers of identity are private tech giants: Facebook and Google. What makes those companies so powerful is their ability to aggregate data and link it to individual identities. They know not just users' demographic details but also their behavior. This information enables Internet platforms to show people more relevant ads and content, but it can also be weaponized, as the Cambridge Analytica scandal has shown.

Aadhaar, by contrast, was built as a public good and paid for by the government, and so there was no need to construct deeper profiles in pursuit of advertising revenue. In many respects, it is a "dumb" ID, capturing less information about users rather than more. It knows only four data points about each holder: name, date of birth, address, and gender. Aadhaar incorporates privacy into its design in other ways, too. When a service provider sends an authentication request to Aadhaar, the purpose of the authentication is not revealed; all the government knows is when someone uses his Aadhaar number, not where or why. Another feature generates a "virtual ID," a temporary number that links to one's Aadhaar number and can be used to verify one's identity yet can be shared without worrying about data brokers creating a detailed individual profile by gathering one's information from disparate databases.

Aadhaar marked the first time the Indian government stepped up to create digital infrastructure as a public good, but not the last. The government has built a collection of nationwide digital platforms, known as "India Stack," that allow government agencies and businesses to safely serve a billion-plus Indians in real time and at a low cost. In 2012, to increase

access to financial services, the government launched a system through which Indians could easily complete the "know your customer," or KYC, requirements that businesses such as banks and telecommunications companies use to assess potential clients and comply with regulations. The program, called e-KYC, lets users complete the process paperlessly, dramatically cutting the costs for businesses to sign up new customers. In 2017 alone, 3.4 billion e-KYC processes were completed. The result: Indians have greater and more affordable access to financial products such as credit, insurance, and mutual funds.

Another part of India Stack is the Unified Payments Interface, launched in 2016. Just as the SMS protocol allows users to send a text message from an iPhone on one network to an Android phone on another, UPI lets them seamlessly send money between various banks and financial service providers. Since the platform is a public good, any bank can make UPI a part of its mobile app with just a few lines of code. It also enhances competition and consumer choice. Because UPI is fully interoperable, Indians can now conduct transactions on their State Bank of India account from inside the Citibank app. The costs of switching between banks are dramatically lowered, so banks must compete for customers' business. Not surprisingly, UPI is proving popular: in June 2018, the platform handled 246 million transactions (more than the average number of monthly credit card transactions in India), totaling some \$4 billion. And now that the messaging app WhatsApp has integrated UPI into its system, its 200 million Indian users can send money easily through an interface they already know and trust.

## **DATA IS POWER**

If the idea that digital infrastructure should be a public good is the first guiding principle of the Indian approach to the Internet, the second is that people should be empowered by data. As the Peruvian economist Hernando de Soto has argued, those who are left out of the formal economy—for example, small-scale entrepreneurs with no bank accounts—suffer from being excluded. Enabling them to have a trustworthy digital identity is one way to bring them into the formal economy. Once they have that, they benefit not only in the expected ways, such as by having an easier time opening a bank account, but also in a more subtle way: they can start generating their own data. As more and more parts of Indians' lives go online, more and more data will be produced. In fact, given the glut of data that will be generated from their smartphones, smart cities, and other physical devices connected to the Internet, it is fair to say that Indians will be data rich before they become economically rich.

How can this data wealth be turned into actual wealth? The question highlights the prickly problems around data. To benefit from data, one must be able to access it and assert ownership over it. With the advent of three-party or even four-party data transactions—such as a purchase between a buyer and a seller that takes place through an online marketplace—the issue of ownership is still unclear. But across the globe, there is a growing consensus when it comes to access: users must be allowed to obtain their data and use it any way they see fit.

India has operationalized this principle through two important initiatives. The first is the voluntary standard that the Ministry of Electronics and Information

Technology has encouraged organizations to use to gain users' consent to share their data. Under this system, users digitally sign an electronic document that specifies who can use the data, for how long, and whether the information can be shared further. Unlike obfuscatory privacy policies, this contract sheds all ambiguity by standardizing and codifying the purpose of data use. And because the agreement is enshrined in computer code, users have the ability to revoke consent: with a simple click, a user can choose to stop providing services with data.

The second initiative is the concept of "data fiduciaries," a type of organization being envisioned in India. A data fiduciary can be thought of as a personal consent manager. Its purpose is to ensure that any transaction that requires sharing one's data happens in a safe and consensual manner. Ideally, it would be legally bound to prioritize the interests of the person who is handing over the data, and not those of the entity requesting it.

The first incarnation of a data fiduciary is the "account aggregator," an entity for which the Reserve Bank of India issued guidelines in 2016. Account aggregators collect customers' financial data and share it with their consent. In the past, it was tremendously hard for an Indian to get a statement of his bank account; when applying for a loan, he had to share either verified paper records or his banking password with the lender, not knowing what data might be extracted. With account aggregators, customers can allow certain financial data to be shared safely. And because the account aggregators operate on a fee-for-transaction business model and are legally prohibited from storing or selling data, users can rest assured that their privacy is respected.

Other data fiduciaries that are in the works now will allow job seekers to prove their credentials and employment history, which should empower them to demand better wages befitting their experience. Data fiduciaries are also being developed in India's health-care sector, to allow patients to control who can access their health records.

### A MODEL FOR ALL

India's approach to the Internet is simple: empower users with the technical and legal tools required to take back control of their data. In practice, this has meant investing in digital infrastructure that is open and interoperable, thus enabling billions of low-cost, high-trust transactions. Although this model was designed for and by Indians, it can be applied anywhere.

Indeed, the rest of the world is starting to take notice, with some 20 countries now looking to build their own versions of India Stack, including Afghanistan, Bangladesh, Morocco, the Philippines, Rwanda, and Singapore. Earlier this year, the philanthropist Bill Gates encouraged other countries to build their own versions of Aadhaar, and his foundation is funding efforts by the World Bank to, in his words, "take this Aadhaar approach to other countries." That is a wise investment, since building such digital infrastructure is a relatively low-cost endeavor: it cost only about \$1 per resident to give almost everyone in India an Aadhaar card, and it has paid for itself many times over thanks to savings through the Direct Benefit Transfer. Creating digital infrastructure as a public good has the added benefit of making it subject to public oversight. Instead of trusting private companies to collect and

use people's data responsibly, countries can design the system with checks and balances already in place.

India's approach need not be confined to India. Indeed, it was hardly the first country to view digital infrastructure as a public good. The Internet itself was born out of ARPANET, a project funded by the U.S. Department of Defense that began in 1969. Likewise, GPS was developed for the U.S. military but opened up to civilian use in the 1980s. But over time, the private sector created newer platforms on top of these public goods. While many of these private platforms were still available for anyone to use, they were often built as walled gardens rather than open playgrounds.

What other countries should realize is that regulating Big Tech is not going to be a purely legal affair. The Internet is still unfinished. Like India, countries that believe in openness—such as the United States and European states—should participate in the shaping of the Internet itself. Rather than merely passing laws, they should help create platforms, ratify standards, and design fiduciary institutions to ensure that privacy, competition, and interoperability are baked into technology instead of being tacked on as an afterthought.

For too long, governments have held an overly limited conception of their role regarding the Internet, seeing their job as merely facilitating citizens' access and letting private players handle the rest. But India's example shows that there is a better way: ensuring that citizens get access to a fair and open Internet and empowering them with their data. 🌐

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# Regulate to Liberate

## Can Europe Save the Internet?

*Helen Dixon*

**R**egulations to protect personal data don't inspire much love. Companies frequently regard them as a nuisance, a needless expense, and a hindrance to innovation. Governments think the rules should apply to everyone but themselves. And ordinary people often act as if they don't care whether their data is safeguarded at all.

But such regulations matter now more than ever. The world is increasingly defined by technological asymmetries; a huge gulf has opened up, with big corporations and powerful governments on one side and ordinary individuals on the other. Even in wealthy democratic societies, individual autonomy is at risk now that even simple choices, such as what news stories to read or what music to listen to, are dictated by algorithms that operate deep within software and devices—so deep that users are usually unaware of the extent to which data processing shapes their decisions and opportunities. Today, technology “is being used to control what we see, what we can do, and, ultimately, what we say,” the cryptographer and privacy specialist Bruce Schneier has written. “It makes us less safe. It makes us less free.”

**HELEN DIXON** is Data Protection Commissioner for Ireland.

Most people have yet to realize that truth. In the era of the Internet and mobile communications, people tend to focus more on the goods, services, and experiences that technology offers and less on the ways in which privacy is imperiled by software, code, and devices that have become an invisible but integral part of everyday life. Although many people want to have a sense of how data processing affects them, most aren't interested in the details.

The trouble is that, to paraphrase Leon Trotsky, although you may not be interested in big data, big data is interested in you. Companies and governments are constantly finding new ways to gather and exploit more information about more people. Sometimes they have good intentions; sometimes they do not. I've learned this firsthand: as the data protection commissioner for Ireland, which is home to the European headquarters of many of the world's most powerful technology firms, I have had to push back against a steady erosion of privacy as companies and governments have become hungrier for data and bolder in how they obtain and use it.

Preventing the misuse of personal information—intentional or otherwise—is the reason the EU recently introduced the General Data Protection Regulation (GDPR), a new set of rules that went into effect in May. That bland name is misleading: the GDPR is an ambitious attempt to shape a crucial part of contemporary life. In a world increasingly defined by digital technology, the protection of private data is not merely a luxury; it is “a fundamental right,” as the text of the GDPR notes. The EU has opened a new chapter in the history of the Internet, creating a blueprint that other states



*It's complicated: Mark Zuckerberg at an EU hearing on privacy, Brussels, May 2018*

and organizations will study closely as they, too, seek to properly balance individuals' rights to data protection with their other rights and with the legitimate interests of business and government. The world's governments must start to converge on laws regarding data protection, ideally taking inspiration from the GDPR. Otherwise, authoritarians and unscrupulous tech giants will stand to gain, and democratic states and ordinary people will lose out.

#### **WHY DATA PROTECTION MATTERS**

In the Internet age, ordinary people have become extraordinarily vulnerable, because participating in the digital economy and broader society now frequently involves revealing personal information to large organizations that can easily store it, process it, and share it without any input from individuals. Market forces and the risk of negative public opinion have not deterred compa-

nies and governments from abusing this immense power; only laws have prevented the worst misuse. Regulations to protect personal data prevent crooked officials from easily scouring government databases for damaging information about their critics and rivals. They stop corrupt law enforcement authorities from gaining unfettered access to anyone's phone and Internet records. And they make it harder to use unverified or inaccurate data to wrongly deny people insurance policies, loans, or jobs.

Yet efforts to create a comprehensive regulatory system to protect personal information, including earlier attempts by the EU, have failed to fully deliver. The EU's 1995 Data Protection Directive was somewhat vague, failing to identify the harms it sought to prevent or mitigate, and it suffered from a lack of consistency when it came to advising individual EU member states on how to integrate data privacy into their national laws. The GDPR

mostly avoids both of those problems. It makes clear that it intends to combat discrimination, identity theft or fraud, financial crime, and reputational harm. (The European Commission has also emphasized that the GDPR will strengthen European economies by maintaining people's trust in the security of digital commerce, which has suffered in the wake of a steady stream of high-profile data breaches.)

What is more, the GDPR is a "direct effect" law, meaning that individuals can invoke it in national courts without reference to national laws, thus making it generally unnecessary for EU member states to pass new national legislation to mirror the GDPR. And the law has extra-territorial reach, applying to any organization that operates in the EU, even if it is not physically located in the EU. All such organizations, in every sector and of every size, that process personal data must comply with the GDPR: governments, Internet service providers, media outlets, banks, medical offices, universities—any entity that collects digital information about people.

The law's main innovation is to establish a bedrock principle of accountability. It places responsibility for properly collecting and processing personal data squarely on organizations and extends to individuals the right to prevent their data from being collected or processed. For example, if a company collects data about me for the purposes of marketing goods or services to me, I have the right to object at any time, which would compel the company to stop both the data collection and the marketing. The GDPR also gives individuals the right to insist that their data be deleted. For example, if I provide a company with my e-mail

address in the course of doing business with it, I can later demand that the company remove it from its files. And in certain circumstances, the GDPR gives individuals the right to move their data from one organization to another. If, for instance, I wish to switch to a new bank or a new mobile phone provider, my account and history information must be handed over at my request by my original provider to my new service provider.

The GDPR requires many organizations to employ a data protection officer to ensure compliance with the new rules. It also compels them to conduct impact assessments, to determine what effects certain kinds of data processing will have on individuals. For example, if a large organization wished to introduce a system that required employees and visitors to provide biometric signatures—retinal scans, say—in order to enter a facility, it would need to conduct an assessment to consider the necessity of such a system, its likely impacts and risks, and how they could be mitigated. The GDPR obliges organizations to design their systems so as to limit the amount of personal data they collect and to maximize the security of that data. For instance, if a company requires potential customers to fill out an online form to request a price quote, the form can ask only for information that is strictly necessary to fulfill that request. The new rules also require organizations to immediately notify the authorities whenever they experience a data breach that poses a risk to individuals. Finally, the GDPR mandates that organizations provide the public with clear, detailed information about the personal data they collect and process—and precisely why they do so. Crucially, the GDPR

backs up all of these rules by giving regulators new enforcement tools, including the ability to issue injunctions to force compliance with the law and the authority to impose steep fines on organizations that run afoul of it.

Meeting the accountability standards imposed by the new law will require large organizations to make significant investments; for the sake of efficiency, they will have an incentive to apply the new procedures and systems not just in Europe but also in every market where they operate. What is more, the GDPR stipulates that if an organization transfers personal data out of the EU, it must ensure that the data will be treated in the new location just as it would be in the EU. In this way, the standards embodied by the GDPR will be exported to the rest of the world.

## MAKING THE NEW LAW WORK

The GDPR is not perfect. For one thing, it doesn't solve the perennial challenge of clearly defining what counts as personal data. This reflects the fact that three decades into the digital age, governments, regulators, theorists, companies, and ordinary people are all still struggling to figure out what kind of information must be protected. The new law also leaves it to supervisory authorities and courts to clearly distinguish between serious violations and mere technical infringements. The GDPR also fails to make it easier for data protection authorities to prioritize complaints based on the severity of the alleged abuse. For this reason, the interpretation of the statute ought to be guided not only by legal doctrine but also by common sense, as Michal Bobek, an advocate general for the European Court of Justice, has suggested.



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There are also broader, less technical problems with the law. For one thing, the fact is that, in practice, upholding EU privacy standards in other parts of the world will often require political and diplomatic tools that the GDPR alone cannot provide. And then there is the problem posed by the incredibly fast pace of technological change: as artificial intelligence and machine learning advance, the very meaning (and even relevance) of “consent” and “privacy” will change, and it will be hard for laws and regulators to keep up with both the technological progress and the evolution of social norms surrounding technology.

Considering such obstacles, one could be forgiven for thinking that the GDPR is doomed. But such pessimism is unwarranted. The GDPR gives regulators what they need to tackle even the hardest cases—and most cases won’t be all that hard. It also gives regulators the chance to help various sectors develop codes of conduct that reflect the GDPR’s ethos of accountability and to educate the public about how individuals can exercise their rights.

In a recent op-ed in the *Financial Times*, U.S. Secretary of Commerce Wilbur Ross complained that the GDPR “creates serious, unclear legal obligations for both private and public sector entities, including the US government. We do not have a clear understanding of what is required to comply.” His concerns are warranted. But it’s precisely the role of capable regulators to guide industry and governments—and to learn along with them. The need for smart, dynamic regulation has become clear even just a few months after the GDPR took effect, as the threat of heavy fines has resulted in too much fear and caution on the part

of businesses. Data protection authorities in the EU must not only focus on enforcement but also embrace the task of educating companies about how best to interpret the new law. Regulators should seek strict compliance with the letter of the law but also fundamental changes in behavior that reflect the spirit of the law. Only a balance between enforcement and education can achieve that goal.

To make good on the GDPR’s promise, regulators need to articulate clear standards and develop codes of conduct to help companies and officials adapt to the new reality. Regulators should publish case studies that illustrate how they have put into practice the GDPR’s principles when investigating complaints. Over time, a new body of case law will emerge as individuals take organizations to court to challenge their data practices and as organizations, in turn, take data protection authorities to court to challenge their enforcement actions. Such legal proceedings might lack the high drama of a murder trial or a celebrity divorce. But make no mistake: the future of human autonomy and dignity will be shaped by their outcomes. 🌐

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# The Internet's Lost Promise

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## And How America Can Restore It

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*Karen Kornbluh*

**I**n the United States, Russia sought to help one presidential candidate over another in the 2016 election—not only through hacking and the release of e-mails but also through an extensive information operation that included paid ads, fake social media accounts, and divisive content. In China, authorities are harnessing the power of artificial intelligence to perfect an Orwellian system of online and real-world surveillance to track citizens' every move. In Myanmar, a UN rapporteur found that Facebook had helped spread hate speech, contributing to the ethnic cleansing of Rohingya Muslims. At a time when fully half of the world's population is connected to the Internet, it is hard to escape the conclusion that the technology that promised to give power to the powerless has ended up also hurting the very people it was supposed to help.

Openness allowed the Internet to become a global network that has fostered extraordinary innovation and empowered entrepreneurs, consumers, and political organizers. But along the

way, some of the openness was lost, and darker forces took root.

Today, large technology companies have come to dominate the online experience, constantly gathering users' personal data, often without their knowledge, and feeding it through proprietary algorithms to curate search results, recommendations, and news. Propagandists and extremists wishing to conceal their identities fund targeted ads and create armies of social media bots to push misleading or outright false content, robbing citizens of a basic understanding of reality. And authoritarians take advantage of technology to censor information and suppress dissent.

The United States invented the Internet, and from the beginning, it promoted its vision of an open and free Internet on the global stage. But today, U.S. leadership is largely absent as the platform is increasingly being weaponized. It's time for Washington to overcome its techno-utopian belief that the Internet can fix itself and instead take active steps to ensure that the Internet is a tool to strengthen, not undermine, democratic values.

### FROM HOPE TO DISAPPOINTMENT

The most commonly told origin story of the Internet starts with the brilliant young entrepreneurs who invented life-changing technologies from inside their garages. In reality, the early Internet received significant help from the U.S. government. It grew out of ARPANET, the Advanced Research Projects Agency Network, a decentralized network created by the Pentagon that was designed to withstand a nuclear attack. The inventors of the Internet Protocol and the World Wide Web received government grants and support from government research labs.

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Moreover, in the mid-1990s, when the Internet was beginning to enter people's homes and workplaces, the U.S. government aggressively promoted competition with the existing telecommunications network, a choice that allowed the early Internet to flourish. The Federal Communications Commission exempted Internet service providers, such as AOL, from paying the charges that long-distance carriers had to pay and implemented the Telecommunications Act of 1996 in a way that, for a few years at least, opened the regional phone companies up to competition, stimulating billions of dollars of spending on the deployment of broadband networks. When Congress passed the 1996 Communications Decency Act, it included a provision—Section 230—that largely freed certain Internet companies from liability for third-party content posted on or moving across their networks or platforms. Combined with the decentralized design of the Internet, these policies promoted a medium that allowed users to exchange information freely.

The United States proselytized its pro-openness policy framework abroad. In 1997, Washington negotiated an agreement through the World Trade Organization that committed 67 signatory countries to “procompetitive regulatory principles” when it came to telecommunications, paving the way for the global Internet. And to set the rules of the road for the Internet, it endorsed a handful of “multi-stakeholder” organizations, including the Internet Corporation for Assigned Names and Numbers, or ICANN (which manages the domain name system), and the Internet Engineering Task Force (which promotes technical standards). This framework promoted competition,

provided new avenues for sharing information, and allowed the Internet to become a vibrant platform for free expression and innovation. The Internet seemed to be ushering in a new era of democratization and entrepreneurship. By 2011, it was being credited with causing the Arab Spring.

But by then, the Internet had changed greatly. Early on in its history, users communicated directly, and e-mail was the “killer app.” With the advent of the World Wide Web, users could easily generate and share their own content. But today's digital platforms—including Amazon, Facebook, Google, and Twitter—use algorithms to organize the user experience. Social media companies earn more ad revenue the longer they can get people to spend on their platforms and the more narrowly they can target them, and so they have every incentive to gather as much data as possible and feed it into algorithms that optimize the content their users see.

At the same time, the offline world moved online. In a 2017 survey of Americans conducted by the USC Annenberg School for Communication and Journalism, respondents admitted spending an average of 24 hours a week online. Forty percent of them said they thought the Internet plays an integral role in American politics, and 83 percent reported that they shopped online. Most of the relevant government policies were designed when the Internet was just a fringe part of people's lives, but it has come to touch nearly every aspect.

News also moved online, with more people now getting it through the Internet than from television, as did advertising. As a result, print journalism's economic model fell apart. In the past, when the

future of news seemed in question, Americans publicly debated what role media should play in a democracy. Congress regulated growing forms of media, with the 1927 Radio Act and then the 1934 Communications Act requiring broadcasters to act in the public interest as a condition of their receiving licenses to use the public airwaves. Civil society joined the debate, too. After World War II, the Commission on Freedom of the Press, led by Robert Hutchins, the president of the University of Chicago, concluded that mass media must be committed to social responsibility. And in 1967, the Carnegie Commission on Educational Television issued a report on how to bring public broadcasting to U.S. households, spurring the passage that same year of the Public Broadcasting Act, which established the Corporation for Public Broadcasting. But when the Internet took off, no such examination took place.

In short, as the Internet grew more centralized and as its role expanded, policymakers failed to keep up. When it came to updating regulations for online activities—whether the matter at hand involved political advertising or privacy—the Internet was treated as a special realm that did not need regulation. And the bad guys took notice.

### **DIGITAL DICTATORS**

In the heady days of the Arab Spring, some observers believed the Internet gave dissidents a distinct advantage over their oppressors. But the despots largely learned to use the technology for their own ends. It turned out that even though social media and other technologies can help protesters, they can also help the state.

A 2017 report by Freedom House found that Internet freedom had declined globally for the seventh year in a row as China, Russia, and some Gulf states deployed a number of sophisticated methods for restricting access to online information and to communications tools. They have blocked virtual private networks, making it harder for users to evade censorship controls, and they have done the same with encrypted messaging apps such as Telegram, robbing dissidents of the ability to organize confidentially. In the Philippines, President Rodrigo Duterte has enlisted an army of paid online followers and bots to project an atmosphere of public enthusiasm and intimidate his critics.

Sometimes, autocrats even get private companies to do their bidding. The Turkish government, in the midst of a crackdown on opposition since a failed coup attempt in 2016, has forced Facebook to remove content. (Wikipedia left the country rather than edit or remove content.) And in some countries—notably China, Iran, and Russia—governments require that citizens' data be kept in the country.

The most sophisticated effort comes from China, which, in addition to its Great Firewall, is developing a system of "social credits," which takes the idea of a credit score to its creepiest extension. The idea is to aggregate information from public and private records to assess citizens' behavior, generating a score that can be used to determine their opportunities for employment, education, housing, and travel.

The United States has struggled to respond to the online authoritarian threat. As secretary of state, Hillary Clinton championed an Internet freedom



agenda to empower dissidents. The State Department devoted tens of millions of dollars to programs aimed at enhancing Internet access, fighting censorship, and creating technologies to circumvent controls. And in 2016, it established the Global Engagement Center, which was charged with coordinating efforts to counter propaganda spread by states and nonstate actors alike. But that organization has never been fully staffed or fully funded. All the while, the tools for surveillance and control have grown more sophisticated.

### **HACKING DEMOCRACY**

Not only has the Internet been used to strengthen authoritarian states; it has also been used to weaken democracies. As detailed in the indictments issued in February by Robert Mueller, the U.S. special prosecutor investigating Russian interference in the 2016 election, Russian operatives created fake online personas aimed at spreading false information. For example, a Twitter account by the name of @TEN\_GOP purported to represent the Tennessee Republican Party and posted a steady stream of content supporting Donald Trump, the Republican nominee. In fact, it was run by the Internet Research Agency, an organization linked to the Russian government that is responsible for online influence operations. A particular goal was to depress African American turnout in order to hurt Clinton's candidacy. As an investigation by CNN found, one social media campaign called "Blacktivist" was actually a Russian troll operation; it had more "likes" on Facebook than the official Black Lives Matter page.

Those who organize disinformation campaigns on social media exploit

commercial data-gathering and targeting systems. They sweep up personal data from a host of sources across different devices and categorize people by their behavior, interests, and demographics. Then, they target a given segment of users with ads and bots, which encourage users to like pages, follow accounts, and share information. In this way, disinformation campaigns weaponize digital platforms, whose algorithms seem to reward outrage because that is what keeps users engaged. As the scholar Zeynep Tufekci has found, YouTube's recommendation algorithm steers viewers toward increasingly radical and extremist videos.

To be fair, the big technology companies have begun to wake up to the scale of the problem. After the consulting firm Cambridge Analytica was found to have collected the personal information of 87 million Facebook users for use in political campaigns, Mark Zuckerberg, the company's CEO, testified in Congress that Facebook would extend worldwide the controls it is implementing to satisfy the EU's General Data Protection Regulation. (But the company's removal of non-European data from European servers, which puts the information out of reach of EU regulators, raises doubts about his commitment.) Twitter has begun removing fake accounts at an accelerated rate, deleting 70 million suspicious accounts in May and June 2018. All these companies have taken steps to increase transparency when it comes to who has paid for a particular political ad.

In July, a Facebook press conference that was designed to showcase the company's progress ended up

demonstrating the quandary that all the major platforms face. A CNN reporter asked how Facebook could continue to allow Infowars—a conspiracy theory site that has propagated the idea that school shootings are hoaxes and their victims “crisis actors”—to operate a page with over 900,000 followers. Company spokespeople struggled to explain in which cases false information is taken down for violations of its “community standards” and in which cases it is merely “down-ranked” in the Facebook news feed.

Once again, public policy hasn’t kept up. There is no federal agency charged with protecting U.S. democracy in the digital age, and so the only cops on the beat are the Federal Trade Commission and the Federal Election Commission. The FTC is charged with the wide-ranging task of consumer protection and lacks sufficient staff and authority to address most of the challenges specific to the weaponization of the Internet. The Obama administration proposed an update to privacy laws that would have given the FTC more power when it comes to that issue, but Congress never took it up. And although a draft of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act contained a provision to give the FTC rule-making authority, the provision was stripped out before the bill passed. The FEC, for its part, is perpetually stalemated along partisan lines, just as it was in 2014, when a vote regarding whether to require transparency in online political advertising ended in a deadlock. For the most part, the government has left it to individuals and digital platforms to design their own defenses, and they are falling short.

## **INTERVENTION FOR OPENNESS**

Even though public policy played a large role in enabling the creation and growth of the Internet, a mythical, libertarian origin story arose, which fed the belief that the Internet is so open that regulation is unnecessary—indeed, that government is like Kryptonite to the Internet. Of course, this was also a convenient narrative for opponents of regulation, who fought updating offline rules to fit the online world for economic or ideological reasons. But it is critical that Washington act now to prevent the further weaponization of the Internet against democracies and individuals attempting to exercise their human rights—and to do so without sacrificing democratic values such as freedom of expression. The history of the Internet’s founding offers the right model: intervention on behalf of openness.

To help tilt the balance against autocrats, the U.S. government should fully fund and staff the Global Engagement Center so that it can coordinate support for activists abroad and counter disinformation and extremist content. Washington should also continue to support the efforts that the Broadcasting Board of Governors, the federal agency that oversees Voice of America and other broadcasters, is making on this front, including developing tools that help dissidents get online and backing the fact-checking website Polygraph.info.

There are also steps that can be taken to reduce the opportunity for so-called dark money and dark data to undermine democracy. Congress should pass the Honest Ads Act, a bill proposed in October 2017 that would apply television’s rules on disclosing the funding behind political advertising to the Internet.

Platforms should be required to insist that entities buying political ads provide information on their donors, as well—and to verify the identity of those donors and disclose that information publicly in a sortable, searchable database. In order to deal a blow to microtargeted disinformation, Congress should borrow from Europe's General Data Protection Regulation: organizations should be required to treat political and philosophical data about users as sensitive information—so that it cannot be collected and then used to target political advertising without express permission. Users should also have more data rights, such as the ability to take their data to another platform or use it interoperably.

Digital platforms should find a way to offer users more context for the news their algorithms present. They might do so through some method of differentiating those news outlets that follow accepted journalistic practices (customs such as having a masthead, separating news from opinion, and issuing corrections) from those that do not. The platforms should be required to take down fake accounts and remove bots unless they are clearly labeled as such. The largest social media companies—Facebook, Twitter, and YouTube—need to be transparent about their content-moderation rules. Regulation might even require certain platforms to provide due process protections for users whose content is taken down. And a narrow change to Section 230 could eliminate immunity for platforms that leave up content that threatens or intentionally incites physical violence.

Of course, change must come from the top. Trump himself repeatedly refuses to acknowledge Russia's interference in

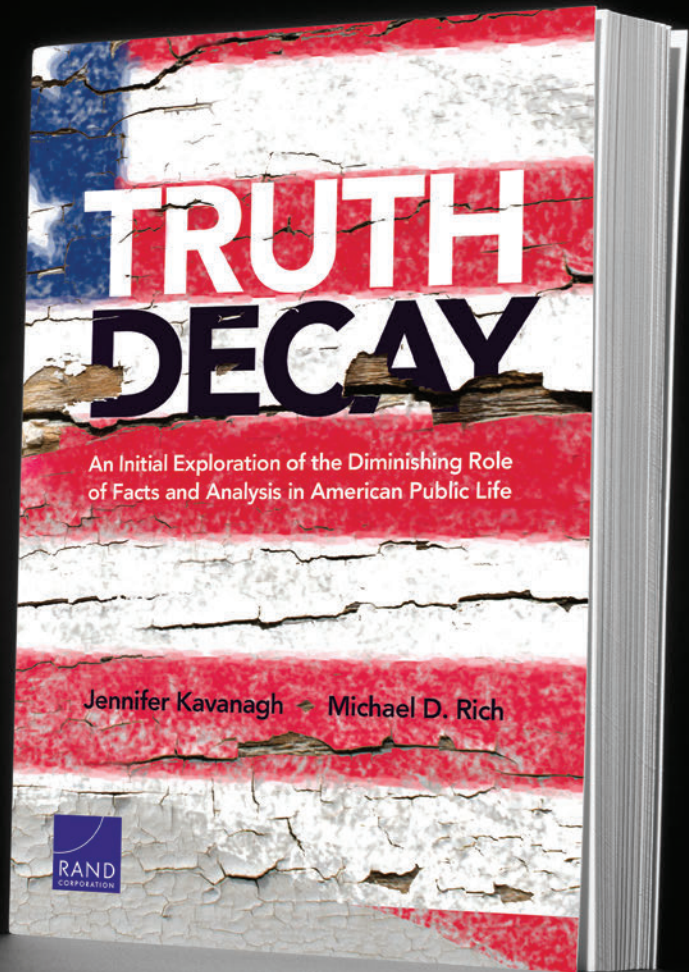
the 2016 election, despite the clear findings of the intelligence community. And in May, the Trump administration's National Security Council eliminated the position of cybersecurity coordinator and handed the portfolio to a deputy with many other responsibilities. That decision should be reversed, and foreign information operations should be treated as seriously as cyberattacks are. And at the international level, Washington should promote its approach through multilateral organizations and provide technical assistance through the World Bank.

What's needed is U.S. leadership. The Internet would never have become such a transformational technology were it not for openness—a quality that was inherent in its design yet nurtured by government policies. But over time, those policies did not keep up with changes in technology or the way it was used. The victims of this lag have been those who initially benefited the most from the Internet: democracies, champions of freedom, and ordinary citizens.

It is time for them to take back the Internet. The United States is uniquely positioned to assume the lead on this task. As the promoter of the key early policies and the home to many of the largest Internet companies, only it can drive the development of a framework that ensures the openness and transparency necessary for democratic debate without harming innovation. But if the United States shirks its responsibility, it will further empower the adversaries of democracy: revisionist states, authoritarian governments, and fraudsters bent on exploiting the Internet for their own, dangerous ends. 🌐

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# Battlefield Internet

## A Plan for Securing Cyberspace

*Michèle Flournoy and Michael Sulmeyer*

Cyberspace has been recognized as a new arena for competition among states ever since it came into existence. In the United States, there have long been warnings of a “cyber–Pearl Harbor”—a massive digital attack that could cripple the country’s critical infrastructure without a single shot being fired. Presidential commissions, military task force reports, and congressional investigations have been calling attention to such a risk for decades. In 1984, the Reagan administration warned of the “significant security challenges” of the coming information age. And just this year, Dan Coats, the director of national intelligence, said of such threats, “the lights are blinking red.”

Yet the Internet has always been much more than a venue for conflict and competition; it is the backbone of global commerce and communication. That said, cyberspace is not, as is often thought, simply part of the global commons in the way that the air or the sea is. States assert jurisdiction over, and

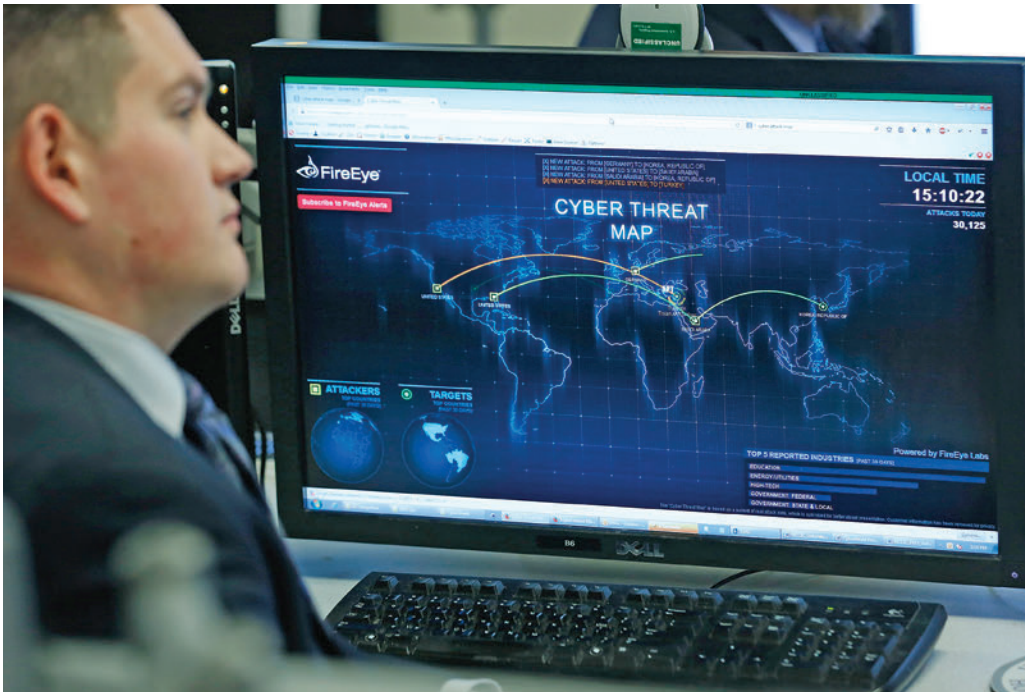
companies claim ownership of, the physical infrastructure that composes the Internet and the data that traverses it. States and companies built the Internet, and both are responsible for maintaining it. Actions taken in the public sector affect the private sector, and vice versa. In this way, the Internet has always been hybrid in nature.

So, accordingly, is the real cyberwar threat. It turns out that for all the increasingly vehement warnings about a cyber–Pearl Harbor, states have shown little appetite for using cyberattacks for large-scale destruction. The immediate threat is more corrosive than explosive. States are using the tools of cyberwarfare to undermine the very foundation of the Internet: trust. They are hacking into banks, meddling in elections, stealing intellectual property, and bringing private companies to a standstill. The result is that an arena that the world relies on for economic and informational exchange has turned into an active battlefield.

To reverse this development, the United States and its allies will have to recognize what China, Iran, North Korea, and Russia already have: that state sovereignty is alive and well on the Internet. Washington must accept that the only way to restore trust is to hold those who abuse it accountable, both at home and abroad. It is time, then, for the United States to reassert leadership on the global stage and take greater responsibility for protecting the country’s communities, businesses, and government from digital threats. Leaving the market alone, as some have called for, will not do. What’s required is an inclusive, government-led approach that protects the public in an increasingly dangerous era.

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*Threat matrix: at a U.S. government cybersecurity center in Arlington, Virginia, January 2015*

### THE NEW, NEW THREAT

Cyber-operations are emblematic of a new style of competition in a world where less power is concentrated in the hands of a single superpower. They are deniable and scalable, and suitable for war, peace, and much in between. In operation after operation, many of them hardly registered by the wider world, states are weaponizing the Internet.

As Russia's attempts to meddle in the 2016 U.S. presidential election showed, it is now possible to undertake cyber-operations in support of a sophisticated campaign of covert influence. In a textbook information-warfare operation, Moscow hacked into e-mail accounts belonging to the Democratic National Committee and one of Hillary Clinton's top aides, not only to collect intelligence but also to find embarrassing information to publicize. The hackers shared their trove of stolen e-mails with WikiLeaks,

which released them to the public, driving negative media coverage of the Democratic candidate in the run-up to voting day. In the months before the election, Russian companies linked to the Kremlin also went on an ad-buying spree on Facebook and created an army of Twitter accounts backing Donald Trump, the Republican nominee. The Internet gave Russia's security services the unprecedented ability to reach millions of American voters with propaganda.

Nations have also taken advantage of the Internet to launch asymmetric attacks when more traditional strategies were unavailable or unwise. Perhaps the best example of this type of operation occurred in 2014, when North Korea hacked into Sony Pictures' network, destroyed its servers, and leaked confidential information in retaliation for the release of *The Interview*, a comedy depicting the assassination of North

Korea's leader, Kim Jong Un. For months, Sony Pictures had to operate by pen and paper as it rebuilt a functioning IT system. In a 2016 heist linked to North Korea, hackers managed to withdraw tens of millions of dollars from Bangladesh's central bank, thus undermining the international campaign to isolate North Korea from the global economy.

In a similar vein, China is also engaging in Internet-enabled theft for economic advantage. For at least a decade, the country has stolen the intellectual property of countless foreign firms to gain the upper hand in economic negotiations and compensate for its lack of homegrown innovation. According to a 2017 report by the Commission on the Theft of American Intellectual Property, U.S. losses from intellectual property theft range from \$225 billion to \$600 billion per year, much of which can be blamed on China.

All these incidents occurred in a gray zone of conflict—below the threshold of outright war but above that of purely peacetime behavior. But states are increasingly drawing on cyber-capabilities during traditional military operations, too. During the 1999 NATO bombing of Yugoslavia, as the journalist Fred Kaplan has reported, a Pentagon unit hacked into Serbia's air defense systems to make it appear as if U.S. planes were coming from a different direction than they really were. Many of the details remain classified, but U.S. officials have admitted that the Pentagon has also used cyberattacks in the fight against the Islamic State (or ISIS). In 2016, Robert Work, then the U.S. deputy secretary of defense, admitted that the United States was dropping "cyberbombs" on ISIS (although he did not elaborate on what that entailed). In at least one instance, such attacks forced

ISIS fighters to abandon a primary command post and flee toward other outposts, thereby revealing their location.

Of course, it's not just the United States that is using such tactics. During its invasion of Georgia in 2008, Russia employed denial-of-service attacks to silence Georgian television stations ahead of tank incursions to create panic. Almost certainly, Russia was also behind the 2015 hack of Ukraine's electrical grid, which interrupted the power supply for some 225,000 customers. Now, dozens of militaries have established or are establishing cyber commands and are incorporating cyber-operations into official doctrine.

### **TOMORROW'S ATTACK**

Military strategists have focused much of their attention on how online operations could affect combat outside cyberspace. In theory, at least—with no track record in a major war, it is too soon to tell for sure—cybertools give a military the ability to overcome physical distance, generate disruptive effects that can be turned off at a moment's notice, and reduce collateral damage relative to even the most sophisticated conventional ordnance.

For the U.S. military, this represents a particularly acute risk. It is so reliant on the Internet that an attack on its command-and-control, supply, or communications networks could undermine its ability to project power overseas and leave forces disconnected and vulnerable. As William Lynn, then the U.S. deputy secretary of defense, revealed in this magazine, the Pentagon fell victim to a hacking attack undertaken by a foreign intelligence agency in 2008. The malware was eventually quarantined, but not before it made its way into classified military networks.

A 2014 congressional investigation of the Pentagon's Transportation Command revealed something else that many had long feared: U.S. adversaries were exploring how to threaten not just its important military networks but also its ability to move forces and materiel.

But given the unique nature of the online battlefield, the relevance of this trend extends beyond military operations, since civilians will likely suffer major collateral damage from attacks directed at governments. Imagine, for instance, that a cyberattack were launched against parts of the U.S. electrical grid in an attempt to cut off power to military bases. The malware used could spread beyond the intended targets to interrupt the power supply to the surrounding civilian population, making hospitals go dark, shutting down heating or cooling systems, and disrupting the supply chains for basic goods. This scenario is not so remote: in 2017, malware that was spread through a Ukrainian tax preparation software program (an attack presumably launched by Russia and intended to compromise Ukrainian companies) ended up catching Western firms in the crossfire. The Danish shipping conglomerate Maersk estimated its costs from the attack at between \$200 million and \$300 million.

In that case, many of the private companies affected were inadvertent victims, but in the future, states may increasingly threaten nonmilitary targets deliberately. Despite international law's prohibition against targeting civilians on the battlefield, states are already doing so online. The bulk of Estonian society was knocked offline in a 2007 attack carried out by patriotic hackers tied to Russia, and South Korean banks and their customers were the target of a

cyberattack in 2013, no doubt launched by North Korea.

To date, no one has produced evidence that anyone has ever died from a cyberattack, but that may change as more and more infrastructure that was once isolated, such as electrical grids and hospitals, goes online. Cars are connecting to WiFi and Bluetooth, and the Internet of Things is already penetrating the most private spaces of people's homes. Some technologists are even promoting an "Internet of Bodies," which envisions networked implants. All these devices are, or will soon be, targets.

These threats to the stable operation of the Internet mean that the trust that everyone places in it will erode even further, and people and governments may seek to wall themselves off. Many have tried "air-gapping" important systems—that is, physically isolating secure networks from the Internet—but the method is not foolproof. Air-gapped systems still need to receive outside software updates, and computer scientists have even shown that it is possible to "jump" the gap by way of acoustic resonance or radio frequencies. Some states have acted on the same impulse at the national level, trying to create their own separate internets, with mixed results. China's Great Firewall is designed to limit what people can read online, but clever citizens can evade it. The same is true in Iran, where authorities have set up a restrictive "halal net."

## **FLAWED FIXES**

The many gaping vulnerabilities in cyberspace have long been obvious to governments and companies, but they have consistently failed to patch the holes. For decades, information sharing



has been the clarion call, the idea being that the sooner potential victims are tipped off about impending threats and the sooner actual victims reveal how they have been compromised, the better defended the entire system will be. In practice, however, information sharing has taken hold only in certain sectors—in the United States, mostly among financial institutions and between defense contractors and the military. And these are exceptions: government and corporate cultures still disincentivize acknowledging a breach, which makes it more likely that others will remain vulnerable to attack.

In addition, companies have often resisted investing fully in cybersecurity, believing it cheaper to clean up a mess than to prevent it in the first place. But this hack-by-hack approach has resulted in devastating losses in the aggregate. Beyond the billions of dollars in intellectual property stolen from companies every year, there is also damage inflicted by the pilfering of defense secrets from military contractors and by the deep reconnaissance that adversaries have undertaken to understand critical infrastructure such as water and power systems—intrusions that have dealt the United States a strategic blow.

At the international level, Washington and over a dozen other governments have sought to fashion “rules of the road,” norms for conduct in cyberspace during peacetime. Both the G-7 and the G-20, for example, have issued joint statements committing their members to good behavior online. But despite the little consensus these efforts have reached, malicious conduct has continued unabated. These endeavors fall far short of what is really needed: a concerted diplomatic push to build a substantial

coalition of like-minded states willing not just to sign on to these norms but also to impose serious economic and political costs on those who violate them.

Another effort has centered on public-private partnerships, through which government and industry can work together to secure the Internet and promote better behavior online. Building such partnerships is essential, but it is also difficult, as the two sides often have competing interests. For example, the U.S. government has pressed Facebook, Twitter, and YouTube to remove terrorist-related content and “fake news” from their sites, yet in complying, these companies have found themselves uncomfortable with acting as arbiters of good and bad content. What’s more, the technology sector is not a monolith: Apple, Facebook, Google, and Twitter have very different business models and approaches to such issues as data privacy and data sharing. Despite this complexity, the U.S. government cannot meaningfully enhance the nation’s cybersecurity by itself; it must work with the private sector.

## **WHAT NOW?**

What is needed most is leadership from the United States, which should work with governments that share its commitment to privacy, freedom, and stability in cyberspace. The first task is to go beyond merely naming and shaming hackers and their government backers and to set forth clear consequences for cyberattacks. For starters, the United States could assert that as a matter of policy, any cyberattacks that result in civilian harm will be treated as equivalent to comparable physical

attacks and will be met with equally serious consequences. The perils of such redlines are no secret: too specific, and the adversary will press right up against the line; too vague, and the opponent will be left unsure about what conduct will trigger a response. Multiple administrations, both Democratic and Republican, have struggled with this challenge, and the specific message will undoubtedly evolve, but it is long past time for the United States to lead its allies in responding to online aggression more seriously. An obvious and long-overdue first step would be for the Trump administration to warn Russia against meddling in future U.S. elections and to spell out in no uncertain terms the consequences it could expect if it does so.

Since public declarations alone are unlikely to deter all nations from conducting cyberattacks, the United States must back up its threats by imposing real costs on perpetrators. That means not only developing offensive options, such as retaliatory cyberattacks, but also drawing on a broad array of national tools. For too long, officials have been unwilling to upset areas of policy that do not directly involve the Internet when responding to cyberattacks, but there is no reason the United States cannot punish an aggressor through, say, increased economic sanctions, tariffs, diplomatic isolation, or military pressure. Deterrence will not be established overnight, but demonstrating credibility through consequences will bolster it over time.

In the meantime, the United States needs to break through the conceptual block of looking at its own cybercapabilities primarily as instruments of foreign surveillance. It can also use

them judiciously to degrade its adversaries' ability to perpetrate cyberattacks by hacking foreign hackers before they hack U.S. targets. The U.S. military and the FBI should proactively thwart imminent attacks, and Washington should work more aggressively with its partners abroad to form mutual cyberdefense pacts, in which countries pledge to come to one another's aid in the event of a serious attack.

At home, the U.S. government needs to fundamentally rethink its approach to cyberdefense. Historically, the government has seen itself as responsible for protecting only government systems and has left everyone else to fend for themselves. That must change. Just as the federal government takes responsibility for protecting Americans from physical attacks, so must it protect them from digital ones. The United States can look to its close ally for inspiration: in 2016, the United Kingdom set up the National Cyber Security Centre, which is designed to protect both government and society from cyberattacks. The United States should set up something similar: a new cyberdefense agency whose purpose would be not to share information or build criminal cases but to help agencies, companies, and communities prevent attacks. One of its top priorities would have to be bolstering the resilience of the United States' most critical systems—its electrical grid and emergency services chief among them. It could also work with state and local authorities to help them improve election security.

To be successful, this new organization would have to be an independent, cabinet-level agency, insulated from politics while subject to congressional

oversight. Creating such an agency would require some painful reorganization within the executive branch and Congress, but continuing to rely on an outdated structure to achieve an ever-expanding set of cybersecurity objectives all but guarantees failure. It is not enough to merely raise the profile of cybersecurity within the Department of Homeland Security, as some have proposed, given how many competing priorities there are within that department. Creating a standalone agency would also enable that agency to change the culture of cybersecurity within the government, blending the spirit of innovation from the private sector with the responsibility of security from the government.

For the government to be an effective player in this space, it will have to do far more than reorganize: it will have to invest more in the appropriate human capital. To that end, it should create a program modeled on the Reserve Officer Training Corps, or ROTC, but for civilians interested in cyberdefense. Participating students would have their college or graduate school tuition paid for in exchange for a set number of years of government service. Washington should also create more opportunities for midcareer experts from technology hubs such as Silicon Valley to do a tour of service in the federal government. Not every computer engineer will want to contribute to national cyberdefense, of course, but the success of the U.S. Digital Service, a program created after the failure of HealthCare.gov that brings private-sector talent into the government, shows how much is possible.

The final challenge is to promote greater accountability in the technology sector for the products and services its

companies put into the market. Just as the federal government regulates prescription drugs, mutual funds, electronics, and more, so should it ensure that when companies sell flawed services and products in the digital marketplace, those harmed can seek redress.

### **A CALL TO ACTION**

Cyberspace has already become a domain of intense economic competition and information warfare, and states have begun testing the waters in preparation for weaponizing it during actual wars. The United States and its allies have responded to these rapidly changing realities far too slowly. For many in the U.S. government, cybersecurity has been seen as a matter for the IT help desk to address. But as new vulnerabilities crop up in nearly every corner of Americans' lives and American infrastructure, it is more important than ever to safeguard the country against cyberattacks.

In 1998, L0pht, a security-minded hacking collective from Boston, testified before Congress about just how vulnerable the online world was. One of the group's members warned that it would take any one of them just 30 minutes to bring down the entire Internet. Had such an attack come to fruition then, it would have been an annoyance. Today, it would be a catastrophe. Cyberattacks are not merely a problem for Americans, for businesses, or for governments. Everyone who values trust and stability online loses out if the threat grows. But with U.S. leadership, there is much that can be done to make these attacks happen less frequently and inflict less damage. 🌐





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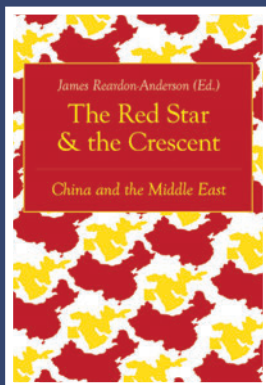
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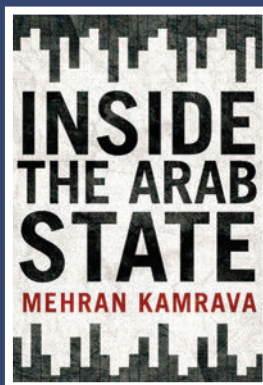
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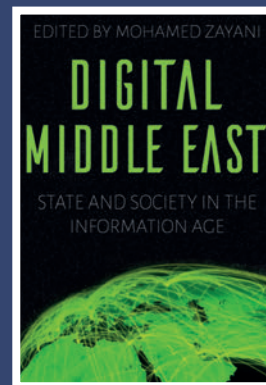
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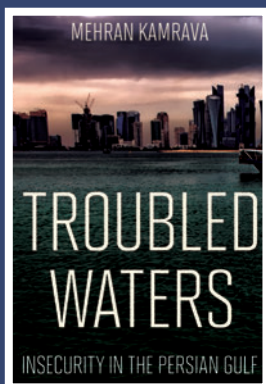
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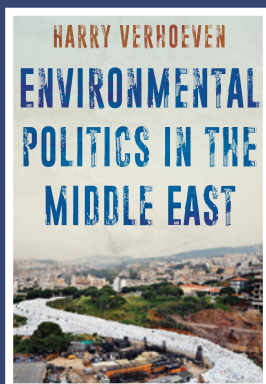
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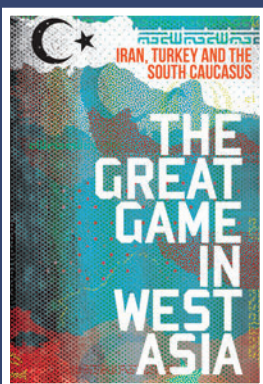
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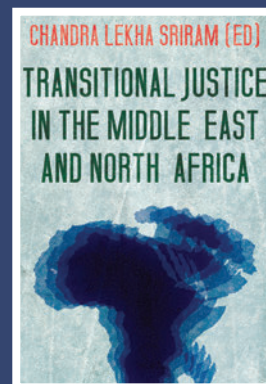
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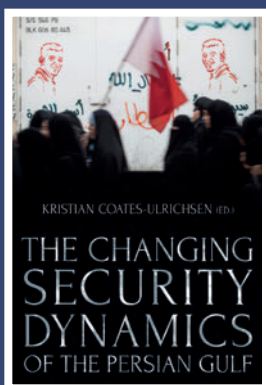
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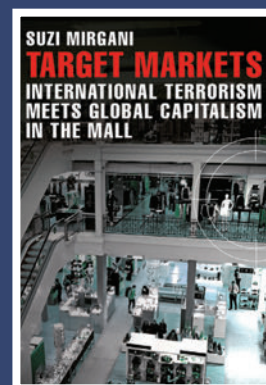
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# A Big Choice for Big Tech

## Share Data or Suffer the Consequences

*Viktor Mayer-Schönberger and Thomas Ramge*

Over the last two decades, a few technology giants have come to dominate digital markets. Google performs about nine out of every ten Internet searches worldwide. Facebook, the world's leading social media platform, has well over two billion users. Together, the two companies have seized well over half of the online advertising market. Apple, originally a computer manufacturer, now runs the world's largest mobile app store in terms of revenue, with about 80 percent of the market, and the second-largest music streaming business, approaching a third of the market. And Amazon captures close to every other dollar spent online in the United States. These companies are what the economist David Autor calls "superstar firms," able to gain huge market shares and translate their market power into enormous profits.

Their success has brought tremendous benefits to users—and grave dangers to

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societies and economies. Each company hoards the information it collects and uses centralized systems to run its huge businesses. That hoarding has hampered innovation and allowed the companies to abuse user data, and their centralized systems leave online markets vulnerable to unexpected shocks, posing risks to the wider economy.

The most common answer to the problem of overly powerful firms is to break them up, as U.S. regulators once did to Standard Oil and AT&T. Yet that would destroy much of the value that these digital giants have created and probably do little to improve competition in the long run, since without structural reforms, killing today's digital superstars would simply generate opportunities for new ones to emerge. There is a better solution: a progressive data-sharing mandate. This would leave these companies intact but require them to share anonymized slices of the data they collect with other companies. Such a mandate would decentralize digital markets and spur innovation as companies competed to extract the best insights from the same data. Much is at stake; if governments fail to act, they will leave key parts of Western economies and democracies vulnerable to sudden failures.

### MARKETS IN EVERYTHING

What sets the new digital superstars apart from other firms is not their market dominance; many traditional companies have reached similarly commanding market shares in the past. What's new about these companies is that they themselves are markets. Amazon operates a platform on which over \$200 billion worth of goods are bought and sold each year. Apple runs gigantic marketplaces for



*Your data or your life: at the Google office in Zurich, Switzerland, August 2009*

music, video, and software. As the world's largest music-streaming service, Spotify provides the biggest marketplace for songs. The Chinese e-commerce behemoth Alibaba manages the world's largest business-to-business marketplace. Meanwhile, Google and Facebook are not just the dominant search engine and the dominant social media platform, respectively; they also represent two of the world's largest marketplaces for advertising space. And home-rental companies such as Airbnb and ride-sharing companies such as Uber and Didi Chuxing match workers with customers.

Markets have been around for millennia; they are not an invention of the data age. But digital superstar firms don't operate traditional markets; theirs are rich with data, which they use to improve transactions and thereby make consumers better off. More data about the products on offer and the preferences of buyers and sellers helps people find what they are looking for and allows businesses to figure out how best to serve

their customers. In traditional markets, informing everyone about which products they are likely to prefer is cumbersome and costly, so the information is usually condensed into a single figure: price. Relying on prices provides the grease that enables conventional markets to work, but it omits a lot of detail. If a potential customer, after learning the cost of an item, decides not to buy it, the seller will not know why. Was the price too high? Or was the product just not what the buyer was looking for? That loss of nuance hurts both sides of the transaction.

Prices can also be deceptive. They are easy to compare, so customers often believe that doing so is an appropriate way to choose the products that will suit them best. But behavioral economics has long shown that humans are poor judges of their future needs and that their ability to make objective comparisons can easily be skewed, resulting in many transactions that should not happen. By contrast, the data-rich markets oper-

ated by digital superstars offer lots of information about products and preferences, along with tools to search and filter the available goods. On Amazon, buyers can tick options to quickly identify the kinds of products they are looking for. Several studies have shown that Amazon rarely offers the cheapest choice, but buyers value the ability to find something easily that closely matches their needs.

Digital superstars also use data in another important way. They offer shoppers digital “decision assistants,” which sift through huge amounts of information to provide recommendations that are often superior to the choices that consumers might make on their own. Automated assistants suggest music on Spotify, movies on Netflix, and apps in Apple’s App Store. A third of Amazon’s retail sales reportedly result from customers following the advice of the company’s venerable decision assistant.

In each of these cases, the use of data improves market matches, and as customers keep shopping, the assistants learn how to make even better recommendations. Most of this learning takes place completely or largely unassisted by humans, as data is fed into machines that continuously update their algorithms. It is the combination of vast markets and decision assistants driven by the data those markets produce that makes these companies such enticing places for customers to spend their money. At least so far, consumers, and not just the digital superstars, seem to be winning.

## **THE RETURN OF CENTRAL PLANNING**

Yet these gains in consumer welfare mask dangers for both individual users

and the wider economy. As data-rich markets replace conventional ones, competition withers. On Amazon, for example, consumers can still choose from a variety of products, but Amazon decides what brands to carry—and it pushes its own products, from batteries to food. If Apple wants to ban a competitor from its App Store, it can. (Some argue that it has already done so by delisting apps that offer services similar to Apple’s own, although Apple disputes this.) Market dominance isn’t illegal, but if history is a guide, it commonly causes problems. As Microsoft discovered in the late 1990s, a thin line separates market dominance and abuse of power. If a monopoly’s stranglehold on the market enables it, that monopoly will almost always raise prices when it runs into trouble. Consumers may pay only a small extra cost per transaction as a result, but the profit difference for the monopoly can be substantial. That is one reason why many economists worry about the ascendancy of digital superstars. Market dominance also allows companies to squash competitors, either by undercutting them on price before they have a chance to grow sufficiently large to survive a price battle or by simply acquiring them.

Market dominance is not the only problem raised by the ascent of digital superstars. These companies gather comprehensive personal data on their customers and store that information in databases that are enticing targets for hackers. Reports of major data breaches are mounting, and many people rightly worry about how safe their personal information is.

But digital superstars pose an even bigger, more systemic threat to the wider economy. By hoarding data and operating

their own, dominant decision assistants, they undo the resilience of traditional, decentralized markets. In a typical market, if a buyer or a seller makes a mistake, it may hurt that person or that company, but it will not bring down the market as a whole. In contrast, in many of the data-rich markets run by digital superstars, the company controls all the information about customer preferences and transactions, and the company uses that data to help its own decision assistant learn. Buyers still make individual decisions, but they are greatly influenced both by explicit recommendations and by the ways in which options are filtered and presented. These markets are much closer to centrally planned systems than to resilient and decentralized traditional marketplaces.

Digital superstars don't want to operate a centrally planned economy. But given the complexity of the algorithms that recommend products, it's always tempting for these companies to manipulate the markets they operate. Last year, for example, the European Commission fined Google 2.4 billion euros after finding that the company had distorted its search results to favor its own shopping service. And a company's motives don't always matter: the hoarding of data makes it far easier to systematically influence consumers' decisions even without intending to do so.

Central control of data means that faults in a system have the potential to influence not just a single consumer but also every market participant. If there is a systemic problem in Amazon's recommendation engine, everyone heeding its advice may make needlessly poor decisions. People may buy products that don't really match their preferences, shun a particular brand without even being

aware of doing so, or pay too much for what they purchase. They may never be shown the search results that best answer their queries and never see the news that really matters. This not only exposes millions of consumers to the risk of wasting their money and their time but also endangers the market as a whole.

## **THE FAILURE OF ANTITRUST**

Existing regulatory tools fail to address the risks posed by today's superstar firms. Antitrust laws prohibit certain kinds of anticompetitive behavior. Companies can be fined for fixing prices or bundling products together to stifle competition. But such laws do not regulate market power directly; superstar firms operating data-rich markets can exercise a dangerous degree of control without violating any antitrust laws.

The legislators who wrote the existing laws assumed that competition would make it hard to concentrate market power for long. To be sure, as companies grow, the marginal cost of production usually decreases. As long as there are sufficient buyers, it pays for a company to get bigger. And for some products and services, new users improve the value for everyone else: when more users join a social media platform, the existing users have more people to interact with. But the advantages of being a big, well-connected company have long been balanced by the ability of start-ups to take on established firms by developing superior products or better production processes. Antitrust laws have been needed to stop only the most egregious abuses; innovation has eventually taken care of ordinary market concentration.

That is changing. Innovation is shifting to data-driven machine learn-



ing. Insights are no longer the product solely of human ingenuity. They are now the result of the automated analysis of huge amounts of data. More and more, the success of a firm rests on its ability to use the information it possesses. Because only the largest firms have access to enough data to compete, innovation is losing its power to make markets fairer.

To solve this problem, some experts have suggested breaking up digital superstars, so that they no longer control the marketplace, the information that flows among market participants, and the decision assistants. The model would be the robust antitrust enforcement that led to the breakup of Standard Oil, in 1911, and AT&T, in 1984. A less drastic alternative might draw inspiration from the steps taken by regulators in the 1990s to force Microsoft to stop bundling a Web browser with its operating system and, more recently, to prevent Google from favoring its own services in its search results.

But by reducing firms' ability to use large amounts of data, such measures would reduce market efficiency and leave consumers worse off. If, for instance, Amazon were broken up into a marketplace and a separate tool to provide recommendations, the latter would no longer have access to the huge streams of data generated by the former. Nor would a breakup improve competition. Alternative recommendation engines would not see the market data either, so their suggestions would be no better. It would not really matter how regulators broke a firm up—whether they created many little Googles, for instance, or split YouTube from Google Search—because after the breakup, all the new entities would have less information to

learn from, leading to inferior products and services overall.

Similarly, although restricting the ways digital superstars can collect or use data—through tougher privacy laws, for instance—might fragment markets and thus improve their resilience, the quality of recommendations would deteriorate absent sufficient data, leading to inefficient transactions and reduced consumer welfare.

### **TRUSTBUSTING FOR THE DIGITAL AGE**

Luckily, regulators do not have to choose between structurally vulnerable but efficient markets and resilient but inefficient ones. There's an easier way to foster both market diversity and resilience: a progressive data-sharing mandate. Under this system, every company above a certain size, say, those with more than a ten percent share of the market, that systematically collects and analyzes data would have to let other companies in the same market access a subset of its data. The larger a firm's market share, the more of its data others would be allowed to see. Data would be stripped of personal identifiers, augmented with metadata to make clear what sort of information the data provided and where it came from, and selected randomly to prevent companies from gaming the system (by granting access only to largely useless data, for instance). Participants would have to agree to certain restrictions, including rules against sharing data with third parties. The role of regulators would be limited to assessing market share, an area in which they have already accumulated expertise. If necessary, regulators would also enforce access to data, but they

would not actively organize or operate the sharing system.

Eventually, data sharing should be mandated across the board. But countries should start with online markets, as these are particularly vulnerable to the dangers of concentration. In the United States, Congress would have to amend the country's existing antitrust regime to develop a comprehensive data-sharing regulation, and in Europe, the EU would have to act as a whole, but a transatlantic consensus would not be necessary. Both the United States and the EU have enough regulatory power and important enough markets to make a mandate enacted in either jurisdiction effective.

A progressive data-sharing mandate would offer several advantages. Unlike a tax, it would not impose any direct cost on firms; companies would remain free to use the data they collect, just as they do now. It would allow many firms and people to use the same data, which would spur innovation; today, although huge quantities of data are collected, it remains underused. If a wide variety of firms had access to market data, a firm's competitive advantage would rest on its ability to extract insights, encouraging companies to develop smarter algorithms and analytics.

The policy would not differentiate between different players that crossed the necessary threshold; even Amazon would have access to data from smaller competitors as long as their market shares were greater than ten percent. But since smaller firms would have less data to share and machine-learning algorithms produce diminishing returns for each new data point, a company like Amazon would gain far less than its smaller competitors. A data-sharing mandate would lift all boats, but to

different degrees. That would support diversity, innovation, and competition.

Once companies had access to the necessary raw material, they would launch alternative decision assistants. People might still shop on Amazon or listen to music on Spotify, but they might use a third-party recommendation tool to choose products and songs. Today's decision assistants mostly serve the digital superstars. Tomorrow's more independent decision assistants could far more convincingly represent the interests of consumers. Price-comparison sites already let people find the seller offering the lowest price for a wide range of products. Independent decision assistants would help them identify the best product match, as well.

Creating competition among assistants and markets would eliminate the need to break up digital superstars, because they would no longer enjoy an insurmountable competitive advantage. And because the shared data would be chosen randomly, each competitor would train its systems on slightly different data sets, reducing the risk of systemic failures.

Some may worry that mandated data sharing would only boost the power that firms have over consumers. But so far, regulators have mostly failed to counter power imbalances between users and companies by strengthening individual privacy rights. Even in Europe, which has enacted the strongest privacy protections, most people routinely click "OK" and accept companies' privacy terms rather than exercise their right to choose what information they share. The problem is that current privacy regulations focus too narrowly on the relationship between each consumer and each firm, rather than considering the market

as a whole. Mandating progressive data sharing would not solve the privacy challenge. But preventing a small number of digital superstars from monopolizing data would better distribute the power that flows from exclusive access to information. Requiring firms to strip obvious personal identifiers from their data before sharing it would also greatly limit the potential exposure of their users, spreading power more equally among companies without compromising privacy.

### **MAKING IT WORK**

The idea of forcing companies to share their data may seem novel, but it has been employed successfully around the world. In the United States, the federal government sometimes requires firms to share data as a condition of allowing an acquisition. For example, in 2011, when Google bought the airline reservation company ITA Software, the Justice Department forced Google to continue to offer access to ITA Software's travel data to third parties, including Google's competitor Microsoft. The situation is similar across the Atlantic. In Germany, for instance, large insurers must let smaller insurers access some of their actuarial data, so that the smaller firms have enough information to calculate risks.

Recent EU legislation has boosted the idea of data sharing. Thanks to new rules, a consumer can now force companies to provide competitors with access to his or her banking data (as part of so-called open banking), as well as any other personal data (as part of the new General Data Protection Regulation). This approach, which the EU has dubbed "data portability," will not have the same effect as a data-sharing mandate, since it requires each consumer to act independently. But the

legislative aim is similar: to break the stranglehold incumbents maintain on data and create a competitive market full of innovative data-driven services. Both the European Commission and members of the European Parliament are studying how to legislate progressive data-sharing mandates, and Andrea Nahles, a leader of Germany's ruling coalition, has thrown her support behind the idea.

Requiring companies to share their data will come with challenges. Governments will have to overcome several organizational and technical hurdles, and making such a policy effective will require some fine-tuning. But the successful cases of regulated data sharing in the United States and Europe, and the rising interest in such policies, suggest that regulators will be able to find pragmatic solutions.

If, on the other hand, governments leave accelerating market concentration untouched, they will threaten more than competition. They will allow the most efficient digital markets to become also the most vulnerable, both to deliberate attacks and to accidental failures that cause systemic breakdowns. Allowing superstar companies that run centrally planned systems to maintain their dominance will erode the most important quality of capitalist markets, the decentralized way they make decisions. Worse still, this centralization has begun to spill over into politics. Just as healthy markets rely on people making independent decisions, democratic systems are founded on the individual choices made by voters. Yet today, much of public discourse is shaped by a few companies with exclusive access to vast quantities of voter data. Ignoring the problem is no longer an option. 🌐

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War may be politics by other means, but solutions can be found in the context of each situation. International affairs graduates master underlying principles of an ever-changing world to help prepare for a more peaceful future.

**By Carmen Iezzi Mezzera**

*Executive Director,*

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[ForeignAffairs.com/GraduateSchoolForum](https://ForeignAffairs.com/GraduateSchoolForum)

**FOREIGN  
AFFAIRS**



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## Stuart Brown, PhD

Vice Chair, Public Administration and International Affairs  
Director, Master of Arts in International Relations  
Maxwell School of Syracuse University

### Mapping Global Insecurity

Preparing for today's shifting global landscape requires conceptual knowledge, leadership skills, and exposure to real-world challenges. Maxwell's Master of Arts in International Relations (MAIR) draws on leading social science departments, a top-ranked public administration program, interdisciplinary research centers, and faculty comprised of scholars and practitioners.

#### How is Maxwell's professional program in IR distinctive?

Maxwell is both a public policy school and a college of social sciences and includes a broader range of disciplinary offerings than other professional schools, with built-in opportunities for interdisciplinary exploration.

The Mapping Global Insecurity Project, which I direct, is one example. Students and faculty have analyzed and mapped over 150 regions outside the government's reach yet effectively governed by nonstate actors. We draw on economic geography, global supply chains, and social science literature on sovereignty to understand transnational criminal behavior. Students have written and updated eighty in-depth case studies, developing expertise that led to job offers at Interpol, U.S. Department of Homeland Security, and NATO. The collected information comprises a novel data set that allows us to understand how transnational criminal groups map the world, leading to a fundamental rethinking of globalization and sovereignty.

Maxwell is uniquely positioned to take on this work. As an economist, I'm working alongside public policy and international affairs scholars while drawing on the expertise of political scientists, geographers, historians, anthropologists, sociologists, and linguists, many of whom are regional experts. This and other interdisciplinary research is conducted within Maxwell's Moynihan Institute of Global Affairs, which is home to our regional centers. In addition, Maxwell sponsors or cosponsors eight other interdisciplinary

centers, focused on topics such as environmental policy, public health, international security, and conflict resolution.

#### How does this scholarship advance toward applicability and, ultimately, careers?

First, many Maxwell professors are practitioners, with careers in international institutions. For example, I've worked on a bond-trading floor in London, heading research on emerging market sovereign risk for two investment banks as well as an IMF economist. Our faculty boasts a former NASA administrator, a secretary of the U.S. Navy, a director of the National Geospatial-Intelligence Agency, and a deputy secretary of state. We always have one foot planted in the real world.

Second, a central part of our MAIR degree is a global internship experience; students have interned in Ghana, Israel, Geneva, Singapore, and Brussels. Program directors in these regions facilitate internships at UN agencies, nongovernmental organizations, government entities, and international business and trade organizations. MAIR students also engage in practitioner-focused coursework and internships through our Maxwell-in-Washington program with the Center for Strategic and International Studies in Washington, DC. Students pursuing public diplomacy careers with our dual degrees in IR and public relations, offered with Syracuse's prestigious Newhouse School, complete both a global internship and a semester in our Washington, DC, program.

Third, we emphasize leadership skills. MAIR students draw on management training provided by Maxwell's MPA faculty, ranked number one in public management and leadership and number five in international global policy and administration by *U.S. News*.

Add the resources of Maxwell's famously loyal alumni network, and you have it all: world-class interdisciplinary scholarship, professional leadership training, and networks around the world.

**Maxwell** | **Syracuse University**

# Joel S. Hellman

Dean  
Walsh School of Foreign Service  
Georgetown University



## A Commitment to Peace Through Understanding

**How do the graduate programs within Georgetown's Walsh School of Foreign Service (SFS) address the changing nature of conflict in the world in 2018?**

SFS, the first school in the United States dedicated to international affairs, was founded nearly one hundred years ago in the aftermath of World War I. In the words of our founder: "Unprepared as we were for war, we are resolved never to be unprepared for the peace." This is our mission and it remains as relevant today. At the mission's core is a commitment to peace through understanding. We believe that understanding global issues is fundamentally multidisciplinary. To that end, we offer eight degree programs: the broadly oriented Master of Science in Foreign Service (MSFS) Program, the Security Studies Program, the Global Human Development Program and five regional studies programs (Latin America, Asia, German and European Studies, Russia and Eurasian Studies, and Arab Studies). Each degree is built around an exploration of the history, politics, economics, and culture of global regions and problems. We are incorporating solutions to problems driven by technology. We frame these programs around a set of values promoting engaged service to the world, which we believe is essential to sustaining peace.

**What other unique advantages does SFS have in making its graduate students more prepared to address conflict?**

SFS has a faculty with an unparalleled understanding of the roots of conflict, but also many with experience in preventing and resolving conflicts. Madeleine Albright leads our students through crisis simulations. Bruce Hoffman and Dan Byman unpack the complexities of global terrorism. The last four directors for Asia

on the National Security Council teach in our Asian Studies program. Our Global Human Development Program is led by USAID's former chief economist. Our core faculty, supplemented by some of the most prominent practitioners in Washington, DC, work on solutions to global crises every day. Our students are engaged in analysis and practice in a way that virtually no other school can provide.

"Service" is not only part of our name, it is the core of our identity. It drives our faculty. It unites our students. And we are located in a city that is at the center of global service with multilateral organizations, think tanks, multi-national corporations, nongovernmental organizations, and, of course, U.S. government institutions. This enables our students to build service into their degrees through internships, sponsored fieldwork, and summer opportunities.

**What specific skills are SFS students working on that would have been less common a generation ago in preparing to address conflict?**

At the moment, what is most critical for our students is a skill that we must revive from a generation ago—the skill of diplomacy. Of course, we now have a greater emphasis on the technological drivers of change. We build solutions to global problems at the intersections of traditional disciplines, combining economics and security to understand fragile states, culture and politics to unpack global populism, or domestic and international risks to understand international migration. Yet, as critical as these new approaches are, we have never been more in need of a revival of the art of diplomacy to prevent and resolve conflict.

SFS

GEORGETOWN UNIVERSITY  
Walsh School of Foreign Service





## Ambassador Sarah E. Mendelson

Former U.S. Representative to the United Nations ECOSOC  
Distinguished Service Professor of Public Policy  
Head, Heinz College in Washington, DC  
Carnegie Mellon University

### Applying Solutions to Policy Challenges Wherever They Exist— From Local to Global

#### What sets the Heinz College experience apart from other public policy programs?

In our Master of Science in Public Policy & Management (MSPPM) program, students acquire skills to solve complex problems wherever they exist. As the lines between issues that are considered global and local blur in the twenty-first century, our students are particularly well served.

Our curriculum has three layers: a technology layer, a data analytics layer, and a deployment layer (the skills of management, policy, and persuasion). More than ever, today's changemakers need the technology layer to organize information, the data analytics skills to interpret the information and make decisions drawing on data, and the skills to deploy solutions that deliver maximum impact. That is what the Heinz College MSPPM degree delivers.

Our students acquire both quantitative and qualitative skills in coursework and through experiential learning—using those skills to solve real-world policy problems for clients in capstone projects. Some students choose the STEM data analytics pathway. Others apply to spend their second year in Washington, DC, as Heinz policy fellows. This select group works with nonprofits, international organizations, or the U.S. government. Many of these work experiences lead to full-time offers upon graduation.

#### What sets the Heinz faculty apart?

Students benefit from a world-class academic team of engaged and approachable leaders in their fields. We are deeply interdisciplinary and committed to solving societal problems. A great frame that captures the work of many faculty is striving for sustainable development, whether focused on reducing inequality,

decreasing violence, addressing climate change, enabling decent work, improving health, reducing corruption, or advancing human rights and gender empowerment.

We are leaders on the development of smart cities and the future of work. This year, we launched the Block Center for Technology and Society, supporting research and convenings. In addition, I am leading an initiative focused on youth and the sustainable development goals (SDGs). We believe the SDGs have a particular appeal for today's students who want to apply the skills they acquire at Heinz College to achieve the SDGs. These changemakers, whom I call Cohort 2030—the generation born roughly between 1980 and 2000—have the most to gain or lose from how the SDGs are implemented and are critical to their success.

#### Why Heinz, and why now?

Heinz College exists at the intersection of people, policy, and technology. We always have; the world has evolved in our direction.

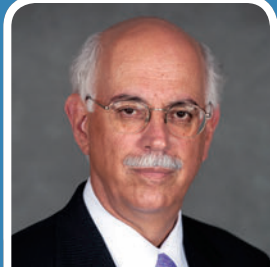
Heinz College, as part of the larger Carnegie Mellon community, is a leader on the frontier of innovation and technology. As such, we are explicit in our understanding that technology can be disruptive in multiple ways. It has the power to increase societal conflict, including the disruption of democratic and other institutions or issues relating to privacy, but it can also play an instrumental role mitigating conflict, for example, by enabling rapid response to humanitarian disaster or helping to prevent mass atrocities.

Our students are emboldened by the opportunity to affect change around the issues they are passionate about as we head into the fourth industrial revolution, where technological innovation will be at the center of almost every policy issue and decision.

**Carnegie Mellon University**  
**HeinzCollege**  
INFORMATION SYSTEMS • PUBLIC POLICY • MANAGEMENT

# Andrew Natsios

Former Administrator of US Agency for International Development (USAID)  
Executive Professor and Director of the Scowcroft Institute of International Affairs  
The Bush School of Government and Public Service  
Texas A&M University



## Preparing for International Service in a World of Instability

The Bush School of Government and Public Service was founded in 1997 to educate the next generation of leaders for careers in international affairs and public administration. President George H.W. Bush said that “public service is a noble calling,” and the Bush School’s mission reflects his values and ideals. The Bush School offers one- and two-year professional master’s degrees and several online certificates, as well as one of the lowest tuition and most generous scholarships among schools of foreign affairs in the United States.

### How does the Bush School prepare students for dealing with the rise in international conflict and instability?

The next generation of leaders will face a more unstable world order as the post-World War II international system unravels, buffeted by ultra-nationalist, nativist, isolationist, and protectionist trends across the globe. Instability has manifested itself in increased great power rivalry, cyber and asymmetric warfare, violent non-state actors, state failure and civil conflict, and the greatest forced migration of people since World War II.

To prepare its students, the Bush School recently established research centers and programs focused on cyber policy and security, grand strategy among the great powers, gender in international affairs, pandemic preparedness, and the management of nonprofits and nongovernmental organizations. These programs are led by a blended faculty of leading academics with cutting-edge research and practitioners with extensive experience and networks in the military, intelligence, diplomacy, and international development.

Bush School faculty prepare students for the fast-paced professional environment in which they will work. Students learn to prepare interagency memos

used to inform senior policymakers, as well as how to present briefings, through National Security Council crisis simulations, classroom group exercises, and capstone projects with U.S. government and international organization clients. Building on the applied approach, several capstone projects involve student travel abroad to undertake research in crisis areas.

The School’s curriculum develops crisis management skills from a diplomatic, humanitarian, intelligence, and military perspective, and the faculty emphasize evidence-based, rather than ideologically driven, research to inform student educational outcomes. Students then build that knowledge by taking internships in the U.S. intelligence community, Department of Defense, State Department, USAID, and UN agencies, among others. Upon graduation, more than 80 percent of Bush School students secure jobs in their career tracks.

### In what ways does the Bush School collaborate with other Texas A&M University professional schools?

With over 60,000 students, Texas A&M is a tier-one research university with some of the highest ranked professional schools in the world—in business, agriculture, veterinary medicine, and engineering. Bush School students can take elective courses in those schools to supplement their studies, as well as pursue internships at on-campus research centers, such as the Borlaug Institute and the Center on Conflict and Development in the College of Agriculture, both funded in part by USAID. Together, faculty and students work on innovative policy and research.

Furthermore, the Bush School, Bush Foundation, and Texas A&M collaborate to bring in well-known scholars, journalists, and public figures to engage in conversations with our students about international issues and policy. Speakers have included Condoleezza Rice, Madeleine Albright, Robert Gates, John Negroponte, Anne Applebaum, Andy Card, George Weigel, and David Axelrod.





## Cecilia Elena Rouse

Dean

Woodrow Wilson School of Public and International Affairs  
Princeton University

### In the Nation's Service and the Service of Humanity

#### What's unique about the Woodrow Wilson School's approach to teaching policy?

Our distinctive multidisciplinary course of study strikes a balance between theory and practice. Ninety full-time faculty members teach at the School, almost all of whom have dual appointments with other departments. Approximately forty-five visiting professors, lecturers, and practitioners from the world of public and international affairs also teach at the School. Our faculty conduct innovative research; provide policymakers, nonprofit organizations, and research centers with expert, nonpartisan policy analysis; and provide Woodrow Wilson undergraduate and graduate students with the analytical tools and in-depth knowledge needed to tackle important policy issues.

#### How do students apply what they learn in the classroom to real-world policy challenges?

We believe that learning extends beyond the classroom. We enrich formal coursework with almost-daily public lectures and informal talks with policymakers and advocates working on the important issues of the day. We send students all over the world to learn in the field—summer work for graduate students, policy workshops to strategically engage and analyze a policy issue on behalf of a real client, or field work to supplement formal studies. The result: Students are able to learn about any given policy topic from various vantage points.

#### How does the School support students' career goals and objectives?

Many schools take the approach that students should invest in their own educations. At the Woodrow Wilson School, we take a different view—that the School should invest in the students. We provide generous financial aid for MPA, MPP, and PhD

students as well as financial support for travel to complement policy workshops; financial support for language training; and financial support for summer internships. We provide ongoing career coaching and guidance, and our career services team is dedicated to helping launch Woodrow Wilson School graduate students after graduation and throughout their careers.

#### How does the School engage in foreign affairs and foreign policy?

For a school our size, we offer remarkable range in this regard. Our faculty and practitioners study international relations, politics, and economics, and our nineteen centers and programs focus on policy issues ranging from climate change and forced migration to security studies, health, and finance. We are a home for the study and debate of national and international policy and support a variety of educational, research, enrichment, and outreach activities. Opportunities abound for our students to gain the skills necessary to become the next generation of strategic thinkers and decision-makers, including learning directly from accomplished individuals. In addition to our ninety full-time tenured faculty, we regularly host visiting leaders and diplomats. Ambassadors Daniel C. Kurtzer and Ryan Crocker are with us now, both of whom have led crisis decision- and policy-making processes and both of whom now teach our students and engage with our community.



# Christopher Clary, PhD

Assistant Professor of Political Science  
Specialization: International Affairs  
Rockefeller College of Public Affairs & Policy,  
University at Albany



## Skills and Expertise for National and Homeland Security Careers

### How does the Master of International Affairs (MIA) program at Rockefeller College address increasing conflict and the changing nature of security in today's world?

This is the most turbulent period in global politics since 9/11. Organizations need individuals with the skills and expertise to adapt to these changing circumstances. The international affairs faculty at Rockefeller College draw from their expertise both as cutting-edge researchers and as real-world practitioners. Our faculty have worked for the U.S. Department of State, the U.S. Department of Defense (DoD), U.S. Agency for International Development, the U.S. intelligence community, and the United Nations, and they bring these experiences into the classroom. For example, I worked for over a decade in the DoD and world-renowned think tanks prior to coming to Rockefeller College. I have briefed cabinet members and negotiated with foreign governments. The MIA program requires all students to take my core course in global security, which examines political violence by nonstate actors as well as war between states. Students learn about suicide terrorism, drone warfare, nuclear weapons, and cybersecurity and apply that expertise to understand ongoing challenges with Syria, Afghanistan, North Korea, and Russia. Too often, programs focus on skills that professors had to learn to become professors and not enough on skills necessary to permit students to thrive in the workforce. I teach students information that I wish I had known when I started working in the Pentagon and skills such as memo writing and analytic briefing techniques that are necessary to succeed in consulting, think tanks, or public service.

### How do Rockefeller's international affairs students acquire skills and expertise required for a changing geopolitical landscape?

The MIA curriculum focuses on core competencies in international relations and policy analysis, economics, management, and quantitative methods. Students build on these core competencies as they concentrate their elective courses in areas such as global and homeland security, diplomacy and global governance, global public management, or international development administration. I oversee the Global and Homeland Security concentration. Many of our students who select this concentration also complete a certificate in cybersecurity offered by the College of Emergency Preparedness, Homeland Security and Cybersecurity, taking advantage of University at Albany's extensive course offerings in this in-demand area.

### Why study Global and Homeland Security at Rockefeller College?

Our classes are not only led by faculty that combine rigorous research with policy relevance but are also filled with students with real-world experience confronting global and homeland security challenges. Our students have worked, interned, or completed capstone projects for the State Department, the U.S. Department of Homeland Security, the New York State Division of Homeland Security and Emergency Services, the New York Department of State, and the University at Albany's National Center for Security and Preparedness, which develops and delivers first responder training to prepare for rapidly changing threats. Students may take courses in-person or through synchronous distance learning using web conferencing. This enables them to complete coursework when interning in other cities or traveling for work and take advantage of a broader array of internship and work opportunities.



ROCKEFELLER COLLEGE  
OF PUBLIC AFFAIRS & POLICY

UNIVERSITY AT ALBANY  
State University of New York





## Dr. Shinji Oyama

Associate Dean  
The Graduate School of International Relations  
Ritsumeikan University, Kyoto Japan

### Re-imagining New International Relations Programs in a New Geopolitical Reality

#### How are you preparing students to navigate changes in the geopolitical landscape?

We are going through an immense geopolitical change, and it represents both opportunities and challenges to Japan and established graduate programs—such as GSIR—located in the country. The geopolitical center of gravity has shifted away from the Atlantic to Asia, particularly in terms of China's rise. Japan now sits at the center, rather than at the periphery, of global affairs. However, it challenges us to develop programs that go beyond the traditional Western-centric model based on the old geopolitical reality that had dominated the field of international relations for so many decades.

Ensuring the diversity of our faculty and students is a vital part of developing the program and intellectual community needed in this age of rapid change. In this regard, our great advantage is GSIR's location in the center of Kyoto, the ancient capital of Japan and recently voted the world's best city by influential travel magazine *Travel + Leisure*. Thanks to our location, GSIR has attracted top international students and faculty members, who now make up over two-thirds and one-fourth, respectively, of our vibrant intellectual community. This allows us to offer innovative programs that prepare students to navigate changes by acquiring diverse skills, perspectives, and experiences.

#### What does GSIR offer to students seeking an edge to their studies and their careers?

We have two English-based master's degree programs: the Global Cooperation Program (GCP) and the Global and Japanese Perspective Program (GJP). GCP students gain a sound foundation in international cooperation

through learning and discussions with our range of scholars and practitioners and by studying side-by-side with a growing number of international students from over thirty-two countries, many of whom are working policymakers from overseas, sponsored by prestigious Japanese government scholarship programs.

We offer academic courses that help students make better sense of the new geopolitical reality, such as global politics. We also offer more practical courses like professional training that provides hands-on training in international development in Asia and beyond from practitioners who have experience working for national, regional, and international organizations. GJP encourages students to learn from the experiences of Japan and other Asian countries, developing alternative and critical insights into global affairs going beyond the Western paradigms. Additionally, GJP's courses and perspectives around culture, society, and media are featured more prominently than the traditional international relations programs. Such focus is crucial as the new geopolitical shift is driven not just by politics and economics but also—if not more—by cultural changes and global media technology.

Furthermore, GSIR is in the process of strengthening our dual master's degree program, which offers qualified students the opportunity to study at two institutions—currently, six partner universities in Asia, Europe, and the United States—further enriching their skills and experiences. This program improves students' ability to respond to changing situations and prepares them to work around the world. We believe we are adapting well to a new geopolitical reality and invite potential graduate students and colleagues to join us in this exciting new challenge!



RITSUMEIKAN UNIVERSITY  
Graduate School of

International Relations

# Adil Najam

Dean

Frederick S. Pardee School of Global Studies  
Boston University



## BU's Pardee School Takes "Global" Seriously

Adil Najam is the inaugural dean of the Frederick S. Pardee School of Global Studies.

### How did Boston University's (BU) Frederick S. Pardee School of Global Studies come to be?

We became a school in 2014, thanks to a generous gift from BU alum Frederick S. Pardee; however, the school builds upon programs, departments, and centers that have existed for nearly half a century.

The Pardee School consists of BU's former department of international relations, as well as centers and programs on regional and thematic studies. The result is a professional school of international affairs with nearly one thousand students, over a dozen Master of Arts (MA) options, and five undergraduate majors.

### What does it mean to be global?

Although some might attack the idea of anything "global," we take pride in our globalness. This begins with the recognition that many of the greatest challenges of our times can no longer be understood simply by understanding relations *between* nations—they can only be addressed *amongst* nations. Terrorism. Global trade and finance. Global climate change. Migration. Human rights. Cybersecurity. Technology. Energy. These issues still require an understanding of interstate relations, but they all now operate on a much broader global plane.

Employers around the world seek young professionals who can think at this global plane but are also able to connect the dots to regional and interstate dynamics—in fact, to local realities. The Pardee School is in the business of training such professionals.

### How do you train students to connect these dots?

We believe that students cannot get to a global perspective without passing through regional and national. This is why we have centers and programs focusing on all the key regions of the world: Africa, Asia, Latin America, Europe, and soon on the Middle East. These are in addition to established institutes on thematic issues: the Institute for the Study of Muslim Societies and Civilizations, the Institute on Culture, Religion, and World Affairs, and our Global Development Policy Center.

Our emphasis on language study—currently, twenty-two languages—and on student travel abroad is another way to empower our students to understand local realities and connect them to global dynamics. To support our students, the Pardee School has generous financial aid options and a dedicated fund for travel grants for graduate students to support their MA thesis research.

### What goals do the faculty and students at the Pardee School share?

The goal of the Pardee School is to advance human progress. This idea informs everything we do.

We are a school born in the twenty-first century, a time when old intellectual boundaries are being challenged. The intersections of security, social justice, environment, public health, culture and religion, democracy, and freedom cross borders with impunity. The Pardee School believes its deeply interdisciplinary approach will create a generation of leaders who can help address the great challenges of our times.



Frederick S. Pardee School of Global Studies



## Christine BN Chin

Dean  
School of International Service  
American University

### Making a World of Difference

#### How does your school approach the study of geopolitical conflict?

At the School of International Service (SIS), we have always relied on our greatest strength—diversity of thought and research. Our faculty of multidisciplinary experts includes political scientists, anthropologists, historians, geographers, diplomats, and practitioners. Through their translational and transformational research, they investigate the causes of conflict, identify opportunities to resolve them, and connect the global and the local.

#### How are you preparing students to navigate changes in the geopolitical landscape?

Because issues and challenges do not obey geopolitical borders, we provide students with strong academic foundations, practical skills, and opportunities to apply them outside the classroom. Our master's students complete international practica on subject areas ranging from peacebuilding to cyber conflict in regions like the Middle East, Southeast Asia, and Latin America. Their opportunities for practice are as vast as the challenges that face our world, and they work for real-world clients in capstone experiences that jump-start their careers.

#### What do you consider the most important emerging areas in the study of international affairs?

The important emerging areas of study all reflect globalization and the fact that no country, however powerful, can go it alone. These areas, including climate change, national security, public health, and migration, often cut across traditional disciplines. Our response at SIS is to think and teach in similar cross-cutting ways.

The impact of climate change on global public health is a great example of the intersection of social justice, human rights, and national security. The

U.S. military believes climate change is a security issue. We teach global environmental policy with the understanding that, yes, clean water and safety from damaging storms are important for public health and prosperity, but they're also critical for security. If unaddressed, the effects of climate change, including competition for arable land and clean water, will exacerbate conflicts related to border security, the identities of nations, and social justice. Our Global Environmental Policy students translate their passions for justice, ecological well-being, and humane governance into careers addressing those concerns.

SIS students of foreign policy and security work with faculty known for their research on terrorism, cybersecurity, politics, diplomacy, and executive-legislative relations. We also have a strong history of innovation in the emerging area of intercultural communication as it relates to geopolitical conflict and cooperation. Our Master of Arts in International and Intercultural Communication prepares students for national and international leadership roles in public-cultural diplomacy initiatives, business and political negotiations, and education.

Finally, SIS, in partnership with American University's College of Arts and Science, has staked out a leadership role in a critically important emerging area of study—antiracist policies and movements around the world. Under the visionary leadership of Professor Ibram X. Kendi, our Antiracist Research and Policy Center produces knowledge for change's sake. Determined researchers and policy experts study racial inequality, recommend policy correctives, and engage in campaigns of change.

SIS is a unique place. We attract service-minded leaders who understand that, in today's world, a win-lose scenario produces no true winners. Our students and alumni will always strive for the win-win that acknowledges the concerns and human dignity of all.



SCHOOL of INTERNATIONAL SERVICE  
AMERICAN UNIVERSITY • WASHINGTON, DC

## Andy Poole

Associate Director  
Executive Degrees  
Saïd Business School  
University of Oxford



# Maximize Your Effectiveness in the Changing Global Business Environment

## How does the Oxford Diploma in Global Business relate to the current geopolitical environment?

The Oxford Diploma in Global Business is more than a business program. It connects the challenges of leading organizations with the wider global environment. Taking an interdisciplinary approach, the program looks in-depth at the themes of global strategy, managing risk and reputation, corporate diplomacy, and the challenges of business in emerging markets. Students are equipped with the knowledge and tools to manage organizations through the complexity and volatility that is increasingly a feature of the global landscape.

## Who is the program for?

The diploma is a part-time, masters-level qualification for experienced professionals with at least five years' work experience who are working full-time. It is delivered in Oxford in four modules, each lasting four days, over one year. The flexible format allows a truly global class, with most students flying in and out of the United Kingdom for each module. The diversity in the classroom ensures a lively debate, challenging assumptions and developing critical thinking, while creating an outstanding global network of game changers. The program offers a specialized pathway to the Oxford Executive MBA.

## What does a typical global business class look like?

Our class is made up of experienced professionals who are either working in an international role or looking to take up a position with an international focus.

We would expect to see around thirty nationalities among the fifty students each year, with ages ranging from twenty-six to sixty. Students would typically be working in over twenty different sectors, in a diverse range of positions from manager to CEO-level. Each year, several students join the program from nonbusiness roles, working for nongovernmental or intergovernmental organizations. Oxford Saïd is committed to increasing the economic participation and influence of women. As a result, we offer three partial scholarships for women to try to increase the share of women on the program, which has recently averaged 35 percent.

## Why consider graduate study at Oxford?

For over eight centuries, leaders from across the world and from all spheres have come to Oxford to study, to intellectually recharge, and to engage in important discussions. The remarkable community at Saïd Business School continues this tradition. Our community is unique, with no single viewpoint, geography, or sector being dominant. We enrich our perspective and impact through the convening power of Oxford, which brings heads of state, CEOs, Nobel laureates, brilliant young scholars, social entrepreneurs, senior policymakers, inventors, corporate recruiters, and many more to Oxford.

The community in Oxford is everything you would expect of a world-class business school: challenging yet collegial, thoughtful but ready for action, ambitious yet principled, rigorous yet fun, and very international.

We develop people who can analyze complex problems, devise pragmatic solutions, and implement them working as part of a team. This makes our alumni some of the most desirable recruits for the world's leading organizations.







## Cullen Hendrix, PhD

Associate Professor

Director, Sié Chéou-Kang Center for International Security and Diplomacy

Josef Korbel School of International Studies

University of Denver

### Outside the Beltway, Outside the Box: Inclusivity and Sustainability in International Affairs

#### How are you preparing students to navigate changes in the geopolitical landscape?

We all know these are tumultuous times; yet, there are dangers in becoming prisoners of the moment. Our job is not just to prepare our students for the jobs they will be seeking in the next few years but to provide them also with enduring paradigms that can guide their thinking for the next fifty. For that reason, we benefit from faculty tackling next-generation security concerns like autonomous weapons to those wrangling with the same ethical dilemmas faced by the ancient Greeks.

#### What research projects are you most excited about at the moment?

As the incoming director of the Sié Chéou-Kang Center for International Security and Diplomacy, I'm lucky to have a bird's-eye view of some really cutting-edge research. For the past two years, our faculty have been working on a Carnegie Corporation grant that's been generating new insights into how inclusive approaches to peacebuilding and governance can reduce violence in a range of conflict-affected contexts. We're really proud that this project has involved so many PhD and master's degree student researchers—they've contributed valuable insights and developed skills that will set them apart from the competition.

I'm also incredibly proud of our Inclusive Global Leadership Initiative (IGLI), which is highlighting the role that women and other underrepresented groups play in leading nonviolent movements for social change around the world. IGLI also brings the next generation of leaders in this space to Denver for training and community building.

#### What is unique about the programs offered at the Korbel School?

Korbel offers a variety of degree programs that can be combined with certificate programs to really tailor the knowledge and skill base to students' interests. For example, our Global Financial Trade and Economic Integration (GFTEI) program is truly one-of-a-kind, giving students a solid foundation in international economics and political economy while providing them with an ethical framework in which to understand the tradeoffs that come with deepening economic integration. As our challenges change, we're adapting our curriculum and course offerings to keep pace. This year, we're introducing a certificate in Global Environmental Change and Adaptation (GECA), which will help prepare students for careers promoting sustainable solutions to our natural resource challenges in government, international organizations, and the private sector.

#### Why study in Denver for a career in foreign affairs?

There's really something to the perspective you glean from studying at the foot of the Rockies. Former students always tell me one of the things they loved about Korbel was that it was the last time they felt like they could really dig into a question or topic without the daily distractions that come from the hustle and bustle of the Beltway. Denver is a wonderful environment in which to engage in deep study: Students love the lifestyle and all the natural beauty our environment provides. As Denver blossoms into a truly international city, it offers an increasingly robust job market for our graduates as well.



UNIVERSITY of  
DENVER

JOSEF KORBEL SCHOOL OF  
INTERNATIONAL STUDIES

# Daniel Kselman

Vice Dean  
IE School of Global and Public Affairs



## Preparing Tomorrow's Leaders for the Future of Global Conflicts

**How does the IE School of Global and Public Affairs (IEGPA) account for the ever-changing nature of conflict and conflict resolution and of the actors involved?**

The nature of conflict and peacebuilding are in constant motion. As seen in the Syrian conflict, social media has altered how organizations recruit fighters and strive for legitimacy. Recent events in sub-Saharan Africa highlight the new role of climate change and environmental scarcity as root causes of civil disorder. New forms of unrest are emerging not only in the developing world but also in the United States and European Union, where radical political movements and breakaway regions threaten the post-World War II status quo. To account for this evolving and increasingly complex panorama, faculty and program directors at IEGPA engage in innovation and renovation of our academic programs and curricula. Our academic faculty, with the values of change and adaptation, are committed to bridging the gap between academic research and the applied world of geopolitics and public policy.

**How is IEGPA adjusting its teaching to account for these changes?**

How can we address the conflict in Syria without a drastic reconsideration of European policy on asylum and refugees? How do we re-integrate fighters into "post-conflict" society when they're from all corners of the globe? Beyond re-integrating fighters, how can we better heal the physical and psychological wounds of conflict's innocent victims and bystanders? The answers often lie at the intersection of sectors all too often studied in isolation: the international and domestic, the public and private, the strategic and operational. At IEGPA, our programs emphasize the hard and soft skills necessary to transcend these

narrow sectoral distinctions and design integrative solutions to today's conflict problems and processes. Alongside traditional courses in conflict resolution, geopolitics, and area studies, our programs include courses in new technologies, project design and management, adaptive leadership, and policy innovation. We believe this entrepreneurial, transcendental approach to the study of international affairs unlocks students' potential as global problem solvers and impact makers.

**How are you considering technology's role in mitigating or sparking conflict?**

New technologies are at the heart of what we do at IEGPA. The Center for the Governance of Change, one of the school's affiliated research and learning centers, is dedicated to understanding how new technologies are changing economics, politics, and society and how governance institutions and public policies must respond to these technological revolutions. In no area is the role of new technologies more relevant than conflict and peacebuilding—they have fundamentally altered how conflicting groups recruit combatants, manage organizations, and strive for legitimacy. From the use of cell phones in sub-Saharan Africa, to Russia-funded Twitter trolls in American and European elections, to the use of social media by the Islamic State, research is emerging that highlights technology's role in facilitating new forms of conflict. However, we at IEGPA also believe that new media have a place in conflict resolution and peacebuilding. Social media and virtual reality platforms provide game-changing ways of reaching people across geographic, social, and ideological divides. Properly mobilized and in the right hands, new technologies can be valuable tools for conflict resolvers.





# Dr. Amanda Klekowski von Koppenfels

Academic Director  
Brussels School of International Studies  
University of Kent

## Advanced International Studies in the Capital of Europe with World-Leading Academics and Experienced Practitioners

### Could you tell us about the curriculum at your school in relation to conflict studies?

Conflict studies is at the heart of what we teach at the Brussels School of International Studies (BSIS). Through our modules and research, conflict studies, from a theoretical and historical perspective as well as via contemporary case studies, plays a major role in our teaching. Students do this via our master's degree in international conflict and security or enhancing another degree at BSIS with elements from the conflict subject area. Our classes span a large spectrum of conflict-related themes, such as law of armed conflict, negotiation and mediation, critical approaches to security, and theories of conflict and violence. Our teaching takes an international view but focuses on key regions such as sub-Saharan Africa, Russia and Ukraine, or the Middle East. Students are encouraged to develop their own regional interests—be it the Korean peninsula or Afghanistan—and how conflict studies fit with the wider international relations issues.

### How are conflict studies taught at BSIS?

Our students are encouraged to come at the topic of conflict from different angles and perspectives—studying conflict in the context of law, development, migration, or human rights. This interdisciplinary focus provides students with the ability to think about how conflict is interlinked with other international issues, such as the migration crisis or human rights violations, or via the legal ramifications of conflict events. Negotiation and mediation is one of our most popular classes. This practical, hands-on class

informs students about the complexity of managing negotiations and is delivered by a global expert in conflict resolution.

We also have a PhD degree in conflict, where students take advantage of the expertise of academic staff as well as being part of the wider Conflict Analysis Research Centre.

### How do you account for the role of technology in global conflicts?

Conflict and technology is a rapidly developing area of study and one which our students find fascinating. We aim to incorporate the role of technology into our teaching, but we also did this with our latest international conference hosted at BSIS. At the conference, Digital Disruptions: How Technology Changes Our Reality, a range of panel sessions were covered on subjects such as technology regulations, the role of technology on political extremism, and the ever increasing role of governments on shaping online narratives. The role of technology is likely to become a key component of our teaching in the future—for example, whether technology can lead us to world peace or make conflicts more complicated.

### How do you account for emerging roles in addressing conflict, for example, applying a gender lens?

We do this in many ways, but one example is within our gender and conflicts module, where we look at the differing impact of conflict on women and on men and the diverging meanings of conflict and security. Gender refers to the socially constructed roles, behaviors, and norms that affect how both males and females or, rather, how masculinities and femininities are defined or understood within society. We also expand this to look at gender within development and migration issues, which often run parallel with conflict issues.



University of  
**Kent**

Brussels School  
of International  
Studies

# Christopher Ankersen

Clinical Associate Professor  
NYU School of Professional Studies  
Center for Global Affairs



## NYU School of Professional Studies Center for Global Affairs: Preparing Students for a World in Conflict

**You came to the NYUSPS Center for Global Affairs (CGA) from a practitioner's background, having worked globally with the United Nations, the military, and the private sector. What struck you most about the program at CGA?**

What stood out to me was CGA's truly interdisciplinary approach to global affairs. The world is a complex place, and CGA's Master of Science in Global Affairs (MSGA) ensures that students have the most effective tools to make sense of it. Students can choose from eight concentrations, taught by experienced scholar-practitioners—International Relations Global Futures, Global Economy, Human Rights and International Law, Peacebuilding, International Development and Humanitarian Assistance, Environment/Energy Policy, Global Gender Studies, and Transnational Security. Offering an array of courses—both core and elective—means that MSGA graduates are extremely capable of looking at global conflict through a number of lenses.

In addition, the MSGA program is unique in its real-world focus. The topics discussed reflect the dynamic nature of today's global conflicts. The courses offered are constantly being tweaked so that they remain grounded in the essential foundational concepts while addressing what's happening in the world around us. Also, CGA affords students a truly immersive educational experience that goes well beyond the classroom walls. This includes a dizzying selection of guest speakers and public events; opportunities for internships and consultancies with organizations in the private, public, voluntary, and

international sectors; and noncredit courses aimed at enriching a student's professional development. Then, there are the many CGA global field intensives, which take place each year. These afford students the opportunity to learn about, and travel to, countries around the world. Global field intensives focus on current issues and challenges, and are led by faculty members and facilitated by academics, and government and business officials. This year, students explored India, Taiwan, Bolivia, the United Arab Emirates, and Tanzania—truly remarkable learning opportunities that allowed them to better understand the sources of, and potential solutions to, a world in conflict.

I should mention that CGA is located in the heart of a global city—New York City. It is just next to Wall Street and the Financial District and is minutes away from the United Nations, the Council for Foreign Relations, the Carnegie Council for Ethics in International Affairs, and the International Peace Institute.

### **How does the MSGA degree prepare students for life in a world of conflict?**

The program's real-world focus empowers students to look at all possibilities and to see connections, allowing them to break down artificial silos. This prepares them to be successful in jobs that combine a security approach to threats and risks, with a private sector eye for value creation. Moreover, CGA students benefit from a robust and rigorous approach to analytical skills acquisition and application. This enables them to make immediate contributions to evidence-based policy analysis and development wherever they go.

Finally, CGA has cultivated a powerful professional network that its graduates can tap into. Among its board members, adjunct faculty members, and alumni are well-placed, influential women and men who are concerned about the potential for conflict and who go out of their way to provide leadership and stewardship for the next generation.



NYU

SCHOOL OF  
PROFESSIONAL STUDIES

CENTER FOR GLOBAL AFFAIRS





## Yuen Foong Khong

Li Ka Shing Professor of Political Science  
Lee Kuan Yew School of Public Policy  
National University of Singapore

### Preparing Students to Navigate Changes in the Geopolitical Landscape

#### Why study geopolitics in Singapore?

Whether as host to the recent U.S. President Donald J. Trump—North Korean leader Kim Jong-un summit on denuclearizing the Korean peninsula, the Presidents Xi Jinping—Ma Ying-jeou meeting of 2015 to improve China-Taiwan relations, or the venue of the annual Shangri-La Dialogue, Singapore offers an unmatched vantage point to view and interpret the changing geopolitics of Asia and the world.

Located in the heart of where East meets West, Singapore's reputation as an honest broker and its penchant for a rules-based regional-global order makes it an ideal place for students and faculty to debate the meaning and implications of shifting geopolitics. The cosmopolitan student body and faculty ensure an exciting but dispassionate approach to studying change, reflecting a true diversity of opinions while striving to incorporate Asian perspectives.

The National University of Singapore's reputation for academic excellence—ranked number one in Asia and number eleven in the world by the 2018 QS World University Rankings—continues to draw talented students and an accomplished faculty from all over the world to the school.

#### What will the students gain from the Lee Kuan Yew School of Public Policy (LKYSPP)?

Living in Singapore among an unmatched cosmopolitan student body, guided by a distinguished faculty with their fingers firmly on the region's pulse, LKYSPP students obtain the analytical tools and interpretive sensibilities to answer questions such as: Are we in the midst of a power transition, with rising powers such as China competing with the established power, the United States, to shape rules of the game in Asia

and beyond? What are the chances of a U.S.-China trade war, and of such a war spilling over to military conflict in, say, the South China Sea? What roles can and should the European Union (EU), Japan, India, and the Association of Southeast Asian Nations (ASEAN) play in this evolving economic and security landscape?

With deep expertise on China, India, the United States, the Koreans, Japan, and ASEAN, our faculty is committed to delivering an outstanding education in international affairs.

Thus, the National University of Singapore-Master in International Affairs experience enhances the global competitiveness of those who want to make a difference.

#### Who should study at the school?

We welcome students who share our passion for understanding the seismic changes happening in Asia and who are prepared for an immersive experience of living in Asia as a way to understand these developments. Our students prize forming new networks with Asia's young policy and thought leaders, and they aspire to making a positive difference through an international career in policy, business, nongovernmental organizations, consulting, policy-relevant research, and academia.

Students keen on exploring future career opportunities through internships will also find a supportive environment at LKYSPP. The World Bank, the United Nations Development Program, the Global Environment Institute in Beijing, the EU Delegation to Singapore, and the Center for Humanitarian Dialogue are among some of the organizations where our students have secured internships.

For over a decade, we have trained students from Asia and other parts of the world to be the best they can be through our world-class public policy education.



National University of Singapore

## Tai Ming Cheung

Director, UC Institute on Global Conflict and Cooperation  
Professor, UC San Diego School of Global Policy and Strategy



### View from the Pacific: An Innovative Look at Conflict and Security

#### What is the relationship of the UC San Diego School of Global Policy and Strategy (GPS) to international security and defense?

Several prominent trends are shaping the contours of the landscape: the challenge of great powers, especially China, to the existing U.S.-dominated security order, the impact of geo-economic factors, and the influence of technology and innovation on state capacity. GPS has substantial academic expertise in these areas that allow our students to prepare for the critical security challenges over the next five to fifteen years and even longer. Besides scholars engaged in the latest cutting-edge research on the implications of cybersecurity, innovation, and the power transitions in the global order, GPS has former senior military officers providing a practitioner's perspective to how to manage the complex dynamics between military power, diplomacy, geopolitics, and national power. This allows GPS to cater to the needs of our diverse pool of security-track students, which include a mix of civilian students and military personnel from the local San Diego community, as well as from elsewhere in the world.

#### How does GPS see the importance of technology in studying security and conflict?

GPS sees science, technology, and innovation as essential in understanding contemporary security and conflict from the level of nonstate actors, such as terrorist groups, to military competition involving advanced industrial powers, such as the United States, China, and Russia. Our courses examine many of the grand security questions facing the world now and in the years to come. Is cybersecurity a game-changer in how future wars will be waged? Will the United States lose its global lead in defense innovation anytime soon? Is the world in the midst of a global

technological revolution that will profoundly reshape how conflict takes place and how states prepare for war? Combining technological knowhow with policy expertise is a must-have skill set for tomorrow's security professional.

#### How do GPS students get involved in the work that the UC Institute on Global Conflict and Cooperation (IGCC) is doing around the world?

One prime example of how students can get firsthand working experience on some of the security issues they study is through the numerous research and engagement programs run by IGCC, which is based at GPS. IGCC manages an annual Track 1.5 dialogue addressing security issues in Northeast Asia, especially North Korea's efforts to become a nuclear weapons state. GPS students prepare and take part in the dialogue that offers unique, firsthand insights into how international meetings on complex security challenges are conducted. Other IGCC programs include the study of China's technological rise, great power competition, nuclear nonproliferation, and defense transparency.

#### What types of nontraditional, security-related careers are you seeing GPS students go into?

As the study of international security becomes increasingly broad and nontraditional, GPS students are well prepared to take advantage of new opportunities. While GPS has a strong track record in helping students gain access to positions in traditional security career paths, such as the military, diplomatic corps, defense contractors, security think tanks, and working for government, we also place graduates in nontraditional careers. They include political and business risk management for multinational corporations, international humanitarian groups, food security research, refugee resettlement, business development with defense companies, and threat analysis with cybersecurity outfits.

**UC San Diego**

**SCHOOL OF GLOBAL POLICY AND STRATEGY**



## Matthew Levinger

Research Professor of International Affairs  
Master of International Policy and Practice Program Director  
National Security Studies Program Director

### Master of International Policy and Practice: A Mid-Career Boost for International Affairs Professionals

**How has working at the U.S. Holocaust Memorial Museum and the U.S. Institute of Peace (USIP) informed how you teach conflict resolution at the Elliott School of International Affairs?**

At the Holocaust Museum and USIP, I worked with a diverse range of international affairs (IA) professionals to teach skills and design strategies for preventing and resolving deadly violence. A key imperative was to translate abstract academic research findings into actionable insights for practitioners working in conflict settings.

At the Elliott School, I teach graduate students and senior U.S. government officials about international conflict resolution and national security leadership. With both audiences, I emphasize that effective leadership depends on forging a shared sense of purpose through narratives that help diverse constituencies find common ground. I continue to strive to combine intellectual rigor, clarity, and pragmatism.

A challenge of working on genocide prevention and conflict resolution is that these objectives are often viewed as admirable but unrealistic, so it is difficult to marshal sustained and strategic action to achieve them. At the Holocaust Museum, I helped launch the Genocide Prevention Task Force, a high-level panel chaired by former Secretary of State Madeleine Albright and former Secretary of Defense William Cohen. The task force declared genocide prevention a “core U.S. national security interest” and presented practical policy recommendations, since adopted by the Obama and Trump administrations. With my Elliott School students, I stress the need to aim high and follow the courage of one’s convictions, even if progress is difficult and halting.

**How do Elliott School students acquire the practical, ethical, and leadership skills for a changing world?**

In our increasingly complex and volatile world, it is important to lead horizontally as well as hierarchically. Promoting transformational change requires the capacity to listen attentively, to communicate effectively across cultures, and to identify opportunities for constructive collaboration. Elliott School students develop these skills in the classroom through our extensive professional skills curriculum and by studying with some of the world’s most distinguished IA practitioners. Our global capstone courses offer students the chance to consult for major global organizations, analyzing and proposing solutions to pressing leadership challenges. Because most Elliott School classes meet in the evenings in Washington, DC, many of our students also work full-time or part-time and have the opportunity to put these skills into practice in their professional lives.

**What makes the students, faculty, and community at George Washington University unique?**

As the realtors say, “Location, location, location.” Our physical location is blocks from the White House, State Department, World Bank, and leading think tanks and nongovernmental organizations. Our students have access to unparalleled resources and opportunities to enhance their IA knowledge in an applied setting, and the Elliott School draws on the expertise of accomplished practitioners both in the classroom and in the more than 350 public events it hosts each year. Equally distinctive is our figurative location at the intersection between academia and practice. The Elliott School is a multidisciplinary institution that is home to some of the world’s most influential political scientists, economists, historians, and anthropologists, in addition to current and former policymakers with a wealth of experience in government and international institutions.

### Elliott School of International Affairs

THE GEORGE WASHINGTON UNIVERSITY

# Dr. Michael A. McFaul

Director  
Freeman Spogli Institute for International Studies  
Stanford University



## Preparing the Next Generation of Innovative Global Policy Leaders

**Stanford's Ford Dorsey Program in International Policy (MIP) recently redesigned its curriculum. What was the impetus for this change?**

We are firm believers that the program and its curriculum should be responsive with the ever-changing global landscape. We reevaluate our curriculum every ten years to make sure students are ready for leadership roles where they will engineer policy and spur innovation. In particular, our new curriculum reflects technology's growing role in all dimensions of international affairs. It also provides more original learning experiences, including lab projects, interactive case method teaching, and mentorship from Stanford's distinguished faculty. Under the program, senior faculty teach almost all courses in core and gateways courses for our new specialization tracks.

**What are the highlights of this redesigned program?**

One of the most exciting updates to the curriculum is our redesigned capstone practicum, Engineering Policy Change, which students take in their second year. The practicum, which is taught by Francis Fukuyama and Jeremy Weinstein, partners small student teams with real-world organizations to tackle pressing policy problems. Students also have opportunities to assist with policy-relevant research within the Freeman Spogli Institute for International Studies (FSI). Additionally, the curriculum provides flexibility—students can pursue their academic interests in a truly interdisciplinary way, including opportunities with Stanford Graduate School of Business, the Law School, and the design school.

**How does MIP prepare tomorrow's leaders to deal with the changing nature of conflict and peaceful resolution?**

MIP students graduate with expertise in quantitative analysis, decision-making, and research methodology,

among other skills that contemporary policymakers need. Since students can take courses in different departments and schools, many augment their policy skills with finance, computer science, management, language, and other fields. This interdisciplinary and collaborative environment gives our students the ability to translate between different fields and perspectives that they will encounter in their future careers.

Students study one of our five areas of specialization, which include Energy, Natural Resources, and the Environment; Global Health; Governance and Development; International Security; and our newest specialization, Cyber Policy and Security. This new specialization, as well as our overarching curriculum, is designed to address the growing importance that cyber and other factors have on international policy.

**Keeping this ever-changing geopolitical landscape in mind, how does MIP offer students relevant networking and career opportunities?**

Stanford and FSI are home to world-renowned scholars and researchers with incredible policy experience, from former ambassadors to key players in Silicon Valley. We have several faculty at FSI who have the rare combination of being leaders in their academic fields and experienced practitioners. FSI regularly hosts policymakers from around the globe and often arranges small, intimate meetings for our students. In addition, our students participate in site visits to gain exposure to policy and management departments within some of Silicon Valley's most exciting enterprises.

Because MIP is a small and collaborative program, we have strong ties to our alumni, who routinely participate in career panels and visits and provide introductions, internships, and career opportunities for current students. Pragmatic real-world experience, combined with networking opportunities from different sectors and industries, equip our students to become leaders in international policy.

**Stanford**

Ford Dorsey  
Program in International  
Policy Studies





## Joshua Busby

Associate Professor  
LBJ School of Public Affairs  
The University of Texas at Austin

### Expertise Isn't Dead: Skills, Knowledge, and Public Service in Turbulent Times

Joshua Busby is the author of the recent *Foreign Affairs* article "Warming World: Why Climate Change Matters More Than Anything Else" (July/August 2018).

#### What is your program's philosophy about teaching and world affairs?

While scholars fear that expert opinion has been devalued, skilled practitioners are needed now more than ever before. The next generation of policy professionals could define whether humanity rises to the many challenges facing the world. That is why our training mission is so important.

#### How is the LBJ School preparing for both old and new challenges?

Our first semester course in the Master of Global Policy Studies program, the Nature of the International System, provides students with a conceptual architecture to understand enduring features of world politics like international conflict, competition, and cooperation. We also bring in new topics such as climate change, pandemics, and disruptive nationalism.

Our faculty cover a range of these newer issues. I teach environmental security and courses on global environmental and health governance. My faculty colleagues are leading scholars in areas such as international aid evaluation and transparency, food security, China in the developing world, civil conflict, and Asian security and missile defense.

With the return of geopolitical tensions, we are also a leading school for grand strategy and the role of history. Scholars and practitioners bring rich historical knowledge and practical experience to courses like Policymaking in the Global Age and Foreign Policy Strategy and Decision-Making.

Students also participate in a year-long research course for a professional client, which often involves some travel. For example, I partnered with the Congressional Research Service on a course on global wildlife conservation, sending students to Washington, DC, China, and Tanzania.

#### Does the LBJ School have specific programs and centers?

We are affiliated with world-class centers of excellence and innovative programs, including the Strauss Center for International Security and Law, the Clements Center for National Security, and Innovations for Peace and Development (IPD).

The Strauss and Clements Centers publish the *Texas National Security Review* in partnership with the website *War on the Rocks*. Students can get involved. The two centers also host the Intelligence Studies Project. The CIA recently selected the LBJ School as the only policy school in the nation to host a visiting intelligence officer. The Cybersecurity Studies program at Strauss also cross-trains students in policy and law. Furthermore, Strauss hosts the Mexico Security Initiative, which examines cutting-edge policy issues including the experience of Central American migrants.

IPD, a multidisciplinary program, has done pathbreaking work on open data, involving dozens of students to bring innovative methods like GIS to bear on conflict, foreign aid, and poverty alleviation.

We recently opened the new China Policy Center, a laboratory for the study of contemporary U.S.-China relations.

The LBJ Washington Center also offers an eighteen-month course of accelerated study and work focused on both domestic and international federal policymaking.

#### Why should students come to Austin?

Tuition is affordable. Austin is justly famous for its year-round outdoor culture, lakes, start-up and music scenes, booming economy, and much more. A border state, Texas is center stage for many of the world's high-stakes issues such as trade, immigration, energy, and the environment. We share the vast resources of UT Austin, a Tier I public research university, and a presidential library. High-level officials and leading scholars from around the globe make us a destination for important dialogue.



# Dyan Mazurana

Associate Research Professor  
Co-Director of Gender Analysis in International Studies  
and Women's Leadership Program  
The Fletcher School of Law and Diplomacy  
Tufts University



## #MeToo in International Relations: Researching Gender Through a Global Lens

Dyan Mazurana, associate research professor and co-director of The Fletcher School of Law and Diplomacy's Gender Analysis in International Studies and Women's Leadership Program, is an expert in gender-based crimes committed during armed conflict. She consults with a number of governments, UN agencies, and nongovernmental organizations on how to tackle these tough problems.

**You direct The Fletcher School's Gender Analysis in International Studies program. Why is it important to incorporate gender into an international affairs education?**

As I tell my students, "Anytime humans are involved, it's always deeply gendered." Fletcher students learn that gender plays a role in everything from refugee crises, peace operations, and international justice to the consequences of man-made crises and natural disasters.

I'm proud to say that Fletcher's strong commitment to including gender analysis in its programming has made it one of the leading schools to study gender and international affairs at the master's and doctoral levels. These courses are popular among male and female students.

To top it off, we're not only "walking the walk" but "talking the talk." Fletcher has among the highest percentages of women faculty in tenure and tenure-track positions and other senior-level faculty positions, of the Association of Professional Schools of International Affairs member schools.

**In addition to teaching, you're also an active researcher, most recently looking at sexual harassment and assault among humanitarian aid workers. Tell us about your findings.**

We looked at over two thousand surveys of aid workers and interviewed many who were survivors

of sexual harassment and assault. We thought we'd find that most of those who were assaulting workers were members of armed groups or civilians in lawless areas. In truth, however, it was mostly the aid workers' own colleagues, often men in supervisory positions or acting as security officers, and carried out in aid workers' compounds. Women were the primary targets, but LGBTQ workers were also vulnerable.

As with recent reports of sexual harassment and assault in the entertainment industry, aid workers who tried to report these incidents often faced retaliation. In most cases, internal reporting results in the complaint crossing the desk of the upper-level person who perpetrated it or those who support him.

However, international media coverage of our findings has helped bring increased pressure on governmental agencies and the United Nations to do more to protect aid workers by strengthening reporting and investigation of sexual harassment and assault. That gives me hope.

**Which students thrive at The Fletcher School?**

Our students, despite hearing about these problems, are not deterred from their commitment to help make the world a better, safer place. They're not shrinking violets. Some students make a career choice that will take them to trying environments, but we make sure they're equipped with the skills needed to address global challenges across the sectors of government, business, and civil society. Students come to Fletcher first and foremost to learn, then to do. Fletcher attracts people of action, and we have a track record for graduating those who go on to positively impact the world. It is extremely rewarding and exciting to watch our graduates tackle new and important challenges each year.



THE FLETCHER SCHOOL  
OF LAW AND DIPLOMACY  
TUFTS UNIVERSITY



## Lena Booth, PhD

Associate Dean, Academic Programs & Professor of Finance  
Thunderbird School of Global Management  
Arizona State University

### Preparing for a World in Conflict

**With shifts in political dynamics around the world, how can global leadership students prepare for a world in conflict?**

Many of the sources of conflict today arise from a lack of understanding of different cultures and the importance of global business. Thunderbird was founded based on the concept that if people of different nations do business together, they will be less likely to fight. “Borders frequented by trade seldom need soldiers” is how Dr. William Schurz, Thunderbird’s second president, eloquently expressed this. In an interconnected world, I believe a more altruistic attitude, open-mindedness, and ability to see through others’ lens can lead to a reduction in global conflict. Global leadership students need to learn effective ways to manage people with different cultural backgrounds and ways of thinking. They need to possess a global mindset, be aware of political and business environments in different regions of the world, and be prepared for the technological disruption in artificial intelligence, machine learning, and internet, which will change the world in every imaginable way.

**How can “business done right”—ethical management and leadership—help bring countries and economies together?**

Currently, many nations are experiencing an upsurge of nativism that blames others for the economic problems at home. This has resulted in unnecessary tensions and conflicts and is very inefficient and costly from an international economics standpoint. To bring countries and economies together, nations need to recognize that the biggest issue facing the world today is advances in technology and the associated disruption, not globalism. The technological disruption requires joint solutions that span across the globe. So, businesses and governments need to understand the importance of cross-border

collaboration. It’s only through cooperation and mutual understanding that sustainable solutions could be created to address the challenges ahead.

**How does Thunderbird’s curriculum prepare students to enter a world where global connections are critical to “getting the job done,” but political pressures could make that challenging?**

Thunderbird’s curriculum is created based on the mission of educating global leaders who create sustainable prosperity worldwide. We not only educate our students on global leadership skills but also instill them with the sense of responsibilities to act ethically on every decision. Our curriculum exposes our students to global political economy and regional business environments and prepares them to face the challenges of doing business across borders. Students learn the intricacies of foreign relations and how to be sensitive to political tensions among the countries where they do business. Our curriculum also equips students with cross-cultural communication and global negotiation skills so they can effectively carry out successful global businesses.

Thunderbird prides itself on the development of our students’ global mindset. Students develop cultural sensitivity, embrace diversity and differences, and learn to be ambassadors of the world. That helps them navigate through political pressures and get the job done. With our experiential learning courses, students gain practical consulting experience and learn how businesses are run globally. We also have one of the most connected alumni networks, which plays a vital role for our graduates in an increasingly uncertain world business environment.



**THUNDERBIRD**  
SCHOOL OF GLOBAL MANAGEMENT

A unit of the Arizona State University Knowledge Enterprise

# Tanvi Nagpal, PhD

International Development Program Director  
Johns Hopkins University  
School of Advanced International Studies



## Preparing for the Complexities of a Changing World

**Graduate study offers talented students the chance to advance their careers and make a difference in the world. Why is the study of international relations important?**

The economy is increasingly global and interdependent and so is the bigger picture—quality of life and human development in the future will be driven by solving problems that can't be contained by borders, such as climate change, water scarcity, financial instability, terrorism, and migration. Professionals who can understand and translate the complexities of a changing world are in high demand. A graduate education in international relations is an excellent platform for those who want to create the greater good.

**What will the next generation of students need to succeed in the field of international development?**

International development is at an inflection point: Many countries have reached middle-income status and their development needs have evolved. Longstanding poverty, violence, high mortality, and unemployment are likely tied to root causes such as poor governance. The interdisciplinary approach at Johns Hopkins SAIS prepares students to work across sectors and to be effective in multiple fields of practice. Our scholars and practitioners train students to examine problems from different facets of policy: as political scientists, historians, and economists.

**What do students gain from their experiences beyond the classroom?**

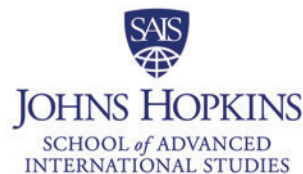
Hands-on learning is a hallmark of the Johns Hopkins SAIS experience. Through study trips, summer internships, and extracurricular activities, students are encouraged to apply what they have learned in the classroom to address complex, real-world scenarios.

Several programs of study offer students the opportunity to work across sectors with clients who are at the forefront of tackling challenging global issues, and nothing makes academic concepts they have learned in the classroom more real than running a project for a client on their own. For example, students in the International Development program have recently partnered with clients to investigate the sanitation and nutrition environment of street vendors in India, identify best practices for financing young entrepreneurs in the Philippines, and develop a business case to manufacture and distribute water filters in rural Cambodia.

Students also have the opportunity to explore the real-world impact of international policy through dozens of study trips each year. Recent study trips have included meeting with officials at a migrant intake center on the Mediterranean island of Lampedusa, analyzing the technology transfer and market adaptation of green power projects in China, and exploring Islamic finance in the context of access and religious norms in Malaysia.

**How should aspiring foreign affairs professionals think about their futures?**

Most of the issues that concern international policy are bipartisan. We need to work on creating more bipartisan consensus by being fact-driven and focused on effective outcomes. The next generation of international relations professionals will need to engage with people who don't agree with their views. A constructive dialogue leads to better analysis, better findings, and the shared understanding which makes it possible for people around the world to pursue better lives. The school's unique community of diverse and passionate faculty, staff, and students challenge and inspire each other to achieve their goals.







# Emanuel Hernandez

MA, MBA, 2019

School of Diplomacy and International Relations

Stillman School of Business

Seton Hall University

## All Voices Matter: Shaping the Discussion on Global Peacebuilding

**You represented Seton Hall's School of Diplomacy at the Global Action Against Mass Atrocity Crimes (GAAMAC) conference in Uganda. How did that opportunity come about?**

Diplomacy students are recognized as colleagues from the time they arrive at Seton Hall. We're trusted to represent the school and collaborate with faculty and staff at the highest levels by working with them on research, engaging with dignitaries at special events, and participating in fieldwork. This opportunity was no exception. Our dean, Andrea Bartoli, is a founding member of GAAMAC and makes a point of getting to know diplomacy students. After working together on integrating GAAMAC into the student experience, he invited me to attend the biannual conference as his representative. It was a big responsibility, and I felt honored to be asked. Seeing states and civil society come together to address diverse viewpoints on mass atrocity prevention was a tremendous experience. At the conference, I met a diplomat who is part of the team negotiating a peace treaty for my home country of Colombia. That's an opportunity I wouldn't have gotten anywhere else.

**How did you prepare for the conference?**

My class in international organizations inspired my interest in GAAMAC and helped me understand that it was created from the need for a common platform to empower prevention. My comparative foreign policy course showed me why states behave in certain ways, gave me tools to assess policies that address ongoing conflicts, and allowed me to appreciate the varied interests behind positions adopted by state representatives at the conference.

**What has this experience taught you about students' role in the work being done to prevent mass atrocities?**

Age is not an obstacle when it comes to shaping the discussion and pressuring states to commit to prevention efforts. The student voice is not only welcomed—it matters. At the conference, I facilitated a panel on the role of youth and education in the prevention of mass atrocities. My earlier participation in the school's All Conflict is Local forum was great preparation. I connected academic experience with personal experience and applied what I was learning. I was truly inspired by how this panel was received, and it gives me hope about the active role students can take.

**How is your access to faculty and direct engagement in the field impacting your career path?**

It has been incredible to start making a difference now and not wait until after graduation. I have made connections—at the GAAMAC conference and at the school—with state and civil society professionals from around the world. At my current internship with Caritas Internationalis, I am interacting with many of these same key players. My professional network has been transformed, and the impact that I can make is greater as a result.

Going to the GAAMAC conference helped me realize my goal of working for a nongovernmental organization (NGO). By gaining a better understanding of peace and conflict resolution at the School of Diplomacy, and finishing my dual degree in business, I hope to help NGOs maximize their resources and to contribute to the peace processes in Colombia and other regions.



# Jessica Stanton

Associate Professor, Global Policy Area  
 Author of *Violence and Restraint in Civil War:  
 Civilian Targeting in the Shadow of International Law*  
 Humphrey School of Public Affairs  
 University of Minnesota



## Promoting Research and Learning on Global Issues in a Changing World

The Humphrey School of Public Affairs boasts a faculty with deep research and professional experience in global issues. Our degree programs combine rigorous training in policy analysis with research opportunities and internship placements around the world, allowing students to graduate with substantive knowledge as well as practical tools critical in helping to resolve conflicts and build lasting peace.

### How does the Humphrey School account for emerging roles in addressing conflict?

The ways that violent conflict plays out globally have evolved substantially in recent decades. While conflicts between states—and related high-level diplomacy—remain important, the vast majority of conflicts worldwide are subnational or transnational conflicts involving violent non-state actors: civil wars, terrorism, and gang-related violence. The impact on civilians has been devastating—millions are displaced within their home countries or living as refugees—and raises questions about how international actors can better protect civilians. My research and recent book examine the causes and effects of wartime violence against civilians. Collectively, the Humphrey School's interdisciplinary faculty are well-positioned to address the changing context of contemporary global conflict, including Professor Ragui Assaad, expert in the impact of conflict-related refugee flows on affected groups and host communities; Mary Curtin, diplomat-in-residence, former Foreign Service officer with practical knowledge and experience in diplomacy; and Professor James Ron, scholar of human rights, whose current research examines public opinion about how ordinary citizens view the work of human rights organizations.

The Humphrey School's unique interdisciplinary degree programs—Master of Public Policy, Master of Development Practice, and Master of Human Rights—allow students to deeply engage with the underlying roots of conflict and to work toward developing strategies that will help communities rebuild in the aftermath of violence. In addition, with increasing consensus in foreign policy circles that addressing gender inequalities is key to long-term peace and security, the Humphrey School is one of the only public policy schools in the United States to offer a concentration in gender and public policy, which easily combines with a global policy focus.

### How is the Humphrey School preparing students to navigate changes in the geopolitical landscape?

Drawing on the wealth of its faculty expertise, the Humphrey School prepares students to navigate changes in the geopolitical landscape. In addition to a rigorous foundation in policy analysis, research methods, and professional skills, students have access to courses and concentrations addressing a range of global issues such as international trade, civil war and conflict, human rights, development practice, diplomacy, and more. Students also have opportunities to earn minors in the fields of international law, public health, and human rights.

Our partnership with the Stimson Center in Washington, DC, provides research and internship opportunities with experts on emerging issues in international security. Our faculty, experienced in diplomacy and politics, teach students negotiation skills through courses in diplomacy and crisis exercises presented by the U.S. Army War College. Our students—who come to the Humphrey School with wide-ranging global experiences, from work with refugees in conflict zones to military experience across the world—along with our international fellows build a vibrant environment for researching and analyzing policy solutions for a changing world.



HUMPHREY SCHOOL  
 OF PUBLIC AFFAIRS

UNIVERSITY OF MINNESOTA



# Markus Kornprobst

PhD, Professor of International Relations  
Diplomatische Akademie Wien  
Vienna School of International Studies

## Breadth, Depth, Innovation

Studying at the Vienna School of International Studies (DA) is an opportunity to prepare for the varied challenges of an international career. The unique multidisciplinary teaching approach is dedicated not only to the highest academic standards but also to linking theory and practice. Vienna, as a seat of a high number of international organizations (IOs) is a comparative advantage as well as the network of alumni from more than 40 countries.

### How does the DA account for emerging roles in addressing conflict?

Our three graduate programmes—the Master of Advanced International Studies (MAIS), the Master of Science in Environmental Technology and International Affairs (ETIA), and the Diploma Program—offer a broad range of courses on conflict. This includes, for example, interstate conflict and transnational criminal networks, cyberwar, and international terrorism. Situated in Vienna and being close to IOs such as the Organization of Security and Co-operation in Europe and the International Atomic Energy Agency, studying conflict is not just a theoretical endeavor for us. We link academic scrutiny firmly to evolving practices of addressing conflicts.

### What are the ramifications for established ideas and organizations whose aim is to address conflict? How is the DA adjusting its teaching to account for these changes?

We firmly believe that the complexities of today's world warrant a well-rounded education. In order to achieve this, our graduate programs zoom out and in. On the one hand, they are distinctly multidisciplinary, crisscrossing between economics, law, history, and political science. This provides students with a rich repertoire to make sense of international affairs. On the other hand, we focus on particular issues and geographical regions in order to help

students acquire in-depth knowledge. This applies, for instance, to arms control, development, the environment, and migration as much as it does to Africa, Europe, East Asia, the Middle East, and Latin America. Our language training in all UN languages adds further depth. We constantly adapt the scope and depth of our curriculum in order to analyze how world politics evolves.

### How are you preparing students to navigate changes in the geopolitical landscape?

While we have always offered courses on geopolitics, we have expanded our offerings in the last few years. Following our teaching philosophy, we address the economic, historical, legal, and political dimensions of geopolitics. We also look in depth at regions in which new geopolitical dynamics play out, for instance, between the European Union and Russia, the Middle East, in the Arctic, and in the South China Sea. Many of our courses revolve around the evolving world order and, with it, the crucial issue of how great power relations change peacefully.

### How are you considering the role of technology in mitigating or sparking conflict?

The role of technology features prominently in all our programs. For example, we have recently expanded our course offerings on digital diplomacy and cybersecurity. A considerable number of our students chooses to write their Master thesis on the nexus of technology and conflict. Our ETIA program addresses the linkages between technology and international politics in great depth and bridges the divide between the human sciences and the natural sciences.



diplomatische  
akademie wien

Vienna School of International Studies  
École des Hautes Études Internationales de Vienne

# Manoj Mohanan

Associate Professor of Public Policy  
Sanford School of Public Policy at Duke University



## Test Your Assumptions, Develop Expertise, Lead Policy Change

### How do Sanford graduate programs connect the theory and practice of public policy?

The Sanford School's graduate programs attract students who seek to gain analytical skills that they can take to public policy jobs, as well as advanced practitioners with many years of work experience in government who want to learn about new ideas. As a result, our courses and training are strongly grounded in theory but are focused on current public policy challenges.

Following the massive Zika outbreak in the Americas and the Caribbean, for example, we started the academic year with a workshop focusing on a Florida ballot referendum to allow experimental introduction of genetically modified mosquitoes to combat the virus. Rather than resuming business as usual, we offered an interdisciplinary workshop that brought together all students enrolled in economics and applied econometrics/research methods courses with experts and guest speakers, including a leading journalist and a geneticist working to create synthetic species.

In my own research, I focus on questions informed by economic theory and central to the practice of public policy and health policy in developing countries. For example, in our ongoing research on the effect of community-level accountability on governance interventions to improve child health outcomes, we also study how information structures within social networks drive participation. Our findings hold promise for finding innovative ways to increase participation, which is always a big challenge in community-based health initiatives.

### Urgent concerns and the rapid pace of global communication put pressure on policy analysts to produce quick answers. How can analysts make the case for large-scale or longitudinal studies?

It is indeed difficult to choose between the competing goals of quick answers for policymakers and long-term studies that examine the underlying behavioral underpinnings, or impact of, policy interventions. Both are important, and with some creativity and practical compromise, it is possible to do a large share of both.

For instance, in our ongoing project focusing on conditional cash transfers for maternal and child health in India, we developed a system of reporting indicators on a quarterly basis to help India's national government with policy planning and implementation. This system also creates ongoing feedback that strengthens our longer term study.

### How does the curriculum help students to become confident in their own powers of analysis rather than relying on others' conclusions?

Given the menace of fake news and alternative facts in public policy debates today, a critical skill that our students learn is to weigh the credibility of evidence based on strength of design and analysis. This focus is also reflected in Sanford's commitment to improve transparency and standards of reporting in media to inform public policy. One of our faculty members, Professor Bill Adair, created the Pulitzer Prize-winning news source, PolitiFact, which pioneered fact-checking.

In courses, whether they focus on economic theory, evaluation methods, or specific policy areas such as education and health, students are encouraged to keep a critical eye and to ask questions that get at the underlying assumptions behind policy positions. Combined with the small classroom environment where students are encouraged to speak up, this training helps them develop confidence to challenge the conventional wisdom.

Duke | **SANFORD**   
SCHOOL OF PUBLIC POLICY





## Shujiro Urata

Dean and Professor  
Graduate School of Asia-Pacific Studies  
Waseda University

### Diverse Research and Training to Solve Complex Regional and Global Problems

#### How do you train students at Waseda University's Graduate School of Asia-Pacific Studies (GSAPS)?

At GSAPS, we train students interested in and concerned with understanding and finding solutions to the complex and diverse problems we face in the Asia-Pacific region and elsewhere, including poverty, economic inequality, gender equality challenges, environmental issues, territorial disputes, national security tensions, and others. GSAPS hopes that our graduates will contribute to building a peaceful, harmonious, and prosperous world. To nurture our students, GSAPS emphasizes not only the development of expertise in a core discipline—international politics, economics, sociology, history, and others—but also sensitivity to diverse disciplinary concerns to enhance interdisciplinary inquiry. With core competence and broad issue coverage, GSAPS alumni are encouraged to be both capable and flexible in dealing with problems in a rapidly changing world. Many move quickly into fulfilling careers in international organizations, government and government agencies, nongovernmental organizations, and the private sector.

#### How does GSAPS deal with the important issue of growing diversity in international studies?

Recognizing the importance of understanding diverse perspectives, GSAPS offers a variety of courses covering a wide range of thematic issues and disciplines. Our curriculum also spans the globe, from the Asia-Pacific to Europe, the Middle East, and Africa. Our international faculty, too, reflects this diversity: not only have they made significant contributions to and remained active experts in their respective fields of study, but their diverse backgrounds prior to GSAPS

also include work in international organizations, foreign policy and development, journalism, and policy research.

To broaden their viewpoints, students are encouraged as well to take part in our many exchange programs with top graduate schools in other countries. One unique international program is the East Asian University Institute, a joint education program with four major universities in Asia. To support and encourage students to pursue these opportunities, GSAPS offers selected students funding for conducting research overseas.

#### What are the unique strengths of GSAPS?

Located in Japan at the center of Tokyo, a gateway to a rapidly growing Asia, GSAPS provides an ideal site for students interested in conducting research in regional and global issues and in gaining international experience. Our master's degree students hail from over fifty different countries, and roughly 80 percent of the 120 students we take in each year are from outside of Japan. Also, the successful recruitment of top students to GSAPS has been buoyed by our ability to offer a number of scholarships to qualified applicants.

Another distinctive feature of our master's degree program is project research. Carried out in faculty-led research seminars, project research allows students to prepare their Master of Arts research with faculty guidance and frequent discussion with classmates.

Furthermore, GSAPS enjoys the advantage of being a part of Waseda University, one of the oldest and best private universities in Japan and Asia and the alma mater of a number of Japan's past prime ministers, as well as many private sector executives and academic leaders. Students and alumni of GSAPS have the opportunity to be a part of the broader global Waseda University network.



Waseda University  
Graduate School of Asia-Pacific Studies  
早稲田大学 大学院アジア太平洋研究科

# Sakiko Fukuda-Parr

Director

The Julien J. Studley Graduate Programs in International Affairs  
The New School



## A New Kind of International Affairs

### What was the original motivation for launching the Julien J. Studley Graduate Programs in International Affairs (GPIA) in 2001?

Our founding director, Mike Cohen—who led the World Bank’s urban department for many years—wanted to design an alternative international affairs program. He wanted it to have a truly global focus—looking at issues in poor and middle-income countries, not only at the latest issues in U.S. foreign policy. The program would be committed to practice and getting students out in the field, and be critical, engaged, and iconoclastic, in The New School tradition. He put together a faculty with this in mind, and these orientations are still central to our program.

### What is the difference between the GPIA MA and MS degree programs?

Our MA degree is an intensive, 42-credit program which attracts students who are looking to start a new career in international affairs. MA students can focus their studies in one of five concentrations that focus on conflict, media, cities, governance, and development, each of which is motivated by issues of social justice and human rights. The MS, on the other hand, is a 30-credit program designed for professionals with at least 2-3 years of international work experience. The modular MS curriculum allows students to combine courses in specific subject and skill areas that serve their personal interests and career goals.

### What makes The New School’s program different from other international affairs programs?

Traditionally, the field has been centered on economics and political science. Although other programs bring in new perspectives, their core curriculum is still organized around classic areas. One can certainly study those topics at The New School, but our program is distinguished by our critical perspective,

our commitment to practice and engaged learning, the unique possibilities in New York for students of international affairs, and the connections across The New School in media, design, and social research. There is no other international affairs program that combines this set of things.

Another attractive distinction of GPIA is that our program is flexible. We do not march students through a bunch of required courses—we believe that students should put together a course of study guided by their own interest. Our program has always been accommodating for nontraditional students: people who are changing careers or working full- or part-time. We are committed to making our program work for people in different situations.

Third, our International Field Program is an entirely unique opportunity for our graduate students. Students spend two summer months at our field sites abroad getting on-the-ground experience. They work and conduct research with community-based organizations, NGOs, and government agencies around the world.

### What has been students’ favorite part of GPIA?

Students love the program and report that they find it to be a transformative experience. Dealing with international affairs is not like fixing a car—just a matter of knowing which part to replace or which screw to adjust. It is about critically engaging with the field: Why are we asking certain questions and not others? What political agendas are behind particular answers to global problems? Students who come to our program are interested in these questions, and I think they are satisfied with what they find.

**THE  
NEW  
SCHOOL**

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## About APSIA

The Association of Professional Schools of International Affairs (APSIA) brings together the leading graduate programs dedicated to professional education in international affairs. Members have demonstrated excellence in multi-disciplinary, policy-oriented international studies.

APSIA strengthens members and affiliates by sharing information. It promotes international affairs education through online and in-person events and supports employers in finding highly-qualified personnel.

**Visit APSIA.org** to discover what you can do with an APSIA degree, learn about hiring APSIA students and alumni, register for admissions events around the world and online, and find fellowship and scholarship information.

## Association of Professional Schools of International Affairs (APSIA)

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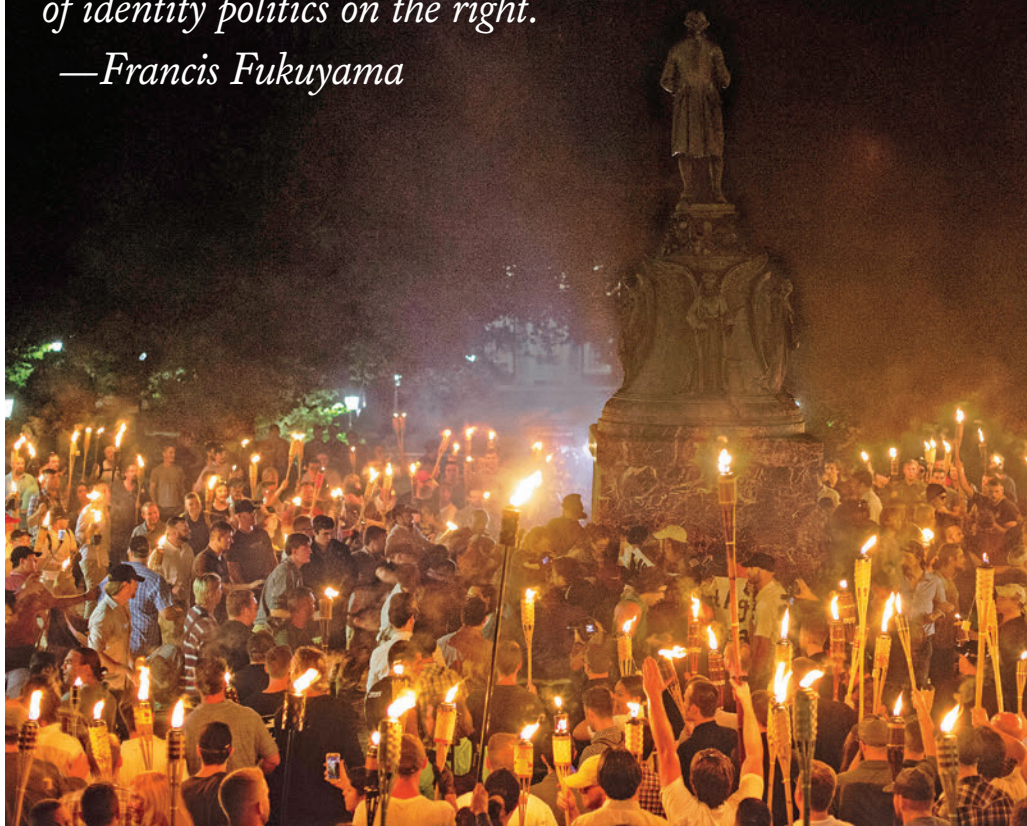
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# ESSAYS

*The worst thing about identity politics as currently practiced by the left is that it has stimulated the rise of identity politics on the right.*

—Francis Fukuyama



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*Francis Fukuyama*

**B**eginning a few decades ago, world politics started to experience a dramatic transformation. From the early 1970s to the first decade of this century, the number of electoral democracies increased from about 35 to more than 110. Over the same period, the world's output of goods and services quadrupled, and growth extended to virtually every region of the world. The proportion of people living in extreme poverty plummeted, dropping from 42 percent of the global population in 1993 to 18 percent in 2008.

But not everyone benefited from these changes. In many countries, and particularly in developed democracies, economic inequality increased dramatically, as the benefits of growth flowed primarily to the wealthy and well-educated. The increasing volume of goods, money, and people moving from one place to another brought disruptive changes. In developing countries, villagers who previously had no electricity suddenly found themselves living in large cities, watching TV, and connecting to the Internet on their mobile phones. Huge new middle classes arose in China and India—but the work they did replaced the work that had been done by older middle classes in the developed world. Manufacturing moved steadily from the United States and Europe to East Asia and other regions with low labor costs. At the same time, men were being displaced by women in a labor market increasingly dominated by service industries, and low-skilled workers found themselves replaced by smart machines.

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Ultimately, these changes slowed the movement toward an increasingly open and liberal world order, which began to falter and soon reversed. The final blows were the global financial crisis of 2007–8 and the euro crisis that began in 2009. In both cases, policies crafted by elites produced huge recessions, high unemployment, and falling incomes for millions of ordinary workers. Since the United States and the EU were the leading exemplars of liberal democracy, these crises damaged the reputation of that system as a whole.

Indeed, in recent years, the number of democracies has fallen, and democracy has retreated in virtually all regions of the world. At the same time, many authoritarian countries, led by China and Russia, have become much more assertive. Some countries that had seemed to be successful liberal democracies during the 1990s—including Hungary, Poland, Thailand, and Turkey—have slid backward toward authoritarianism. The Arab revolts of 2010–11 disrupted dictatorships throughout the Middle East but yielded little in terms of democratization: in their wake, despotic regimes held on to power, and civil wars racked Iraq, Libya, Syria, and Yemen. More surprising and perhaps even more significant was the success of populist nationalism in elections held in 2016 by two of the world’s most durable liberal democracies: the United Kingdom, where voters chose to leave the EU, and the United States, where Donald Trump scored a shocking electoral upset in the race for president.

All these developments relate in some way to the economic and technological shifts of globalization. But they are also rooted in a different phenomenon: the rise of identity politics. For the most part, twentieth-century politics was defined by economic issues. On the left, politics centered on workers, trade unions, social welfare programs, and redistributive policies. The right, by contrast, was primarily interested in reducing the size of government and promoting the private sector. Politics today, however, is defined less by economic or ideological concerns than by questions of identity. Now, in many democracies, the left focuses less on creating broad economic equality and more on promoting the interests of a wide variety of marginalized groups, such as ethnic minorities, immigrants and refugees, women, and LGBT people. The right, meanwhile, has redefined its core mission as the patriotic protection of traditional national identity, which is often explicitly connected to race, ethnicity, or religion.



This shift overturns a long tradition, dating back at least as far as Karl Marx, of viewing political struggles as a reflection of economic conflicts. But important as material self-interest is, human beings are motivated by other things as well, forces that better explain the present day. All over the world, political leaders have mobilized followers around the idea that their dignity has been affronted and must be restored.

Of course, in authoritarian countries, such appeals are old hat. Russian President Vladimir Putin has talked about the “tragedy” of the Soviet Union’s collapse and has excoriated the United States and Europe for taking advantage of Russia’s weakness during the 1990s to expand NATO. Chinese President Xi Jinping alludes to his country’s “century of humiliation,” a period of foreign domination that began in 1839.

But resentment over indignities has become a powerful force in democratic countries, too. The Black Lives Matter movement sprang from a series of well-publicized police killings of African Americans

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*Identity politics has become a master concept that explains much of what is going on in global affairs.*

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and forced the rest of the world to pay attention to the victims of police brutality. On college campuses and in offices around the United States, women seethed over a seeming epidemic of sexual harassment and assault and concluded that their male peers simply did not see them as equals. The rights of

transgender people, who had previously not been widely recognized as distinct targets of discrimination, became a cause célèbre. And many of those who voted for Trump yearned for a better time in the past, when they believed their place in their own society had been more secure.

Again and again, groups have come to believe that their identities—whether national, religious, ethnic, sexual, gender, or otherwise—are not receiving adequate recognition. Identity politics is no longer a minor phenomenon, playing out only in the rarified confines of university campuses or providing a backdrop to low-stakes skirmishes in “culture wars” promoted by the mass media. Instead, identity politics has become a master concept that explains much of what is going on in global affairs.

That leaves modern liberal democracies facing an important challenge. Globalization has brought rapid economic and social change and made these societies far more diverse, creating demands for recognition on

the part of groups that were once invisible to mainstream society. These demands have led to a backlash among other groups, which are feeling a loss of status and a sense of displacement. Democratic societies are fracturing into segments based on ever-narrower identities, threatening the possibility of deliberation and collective action by society as a whole. This is a road that leads only to state breakdown and, ultimately, failure. Unless such liberal democracies can work their way back to more universal understandings of human dignity, they will doom themselves—and the world—to continuing conflict.

### **THE THIRD PART OF THE SOUL**

Most economists assume that human beings are motivated by the desire for material resources or goods. This conception of human behavior has deep roots in Western political thought and forms the basis of most contemporary social science. But it leaves out a factor that classical philosophers realized was crucially important: the craving for dignity. Socrates believed that such a need formed an integral “third part” of the human soul, one that coexisted with a “desiring part” and a “calculating part.” In Plato’s *Republic*, he termed this the *thymos*, which English translations render poorly as “spirit.”

In politics, *thymos* is expressed in two forms. The first is what I call “megalothymia”: a desire to be recognized as superior. Pre-democratic societies rested on hierarchies, and their belief in the inherent superiority of a certain class of people—nobles, aristocrats, royals—was fundamental to social order. The problem with megalothymia is that for every person recognized as superior, far more people are seen as inferior and receive no public recognition of their human worth. A powerful feeling of resentment arises when one is disrespected. And an equally powerful feeling—what I call “isothymia”—makes people want to be seen as just as good as everyone else.

The rise of modern democracy is the story of isothymia’s triumph over megalothymia: societies that recognized the rights of only a small number of elites were replaced by ones that recognized everyone as inherently equal. During the twentieth century, societies stratified by class began to acknowledge the rights of ordinary people, and nations that had been colonized sought independence. The great struggles in U.S. political history over slavery and segregation, workers’ rights, and women’s equality were driven by demands that the political system expand the circle of individuals it recognized as full human beings.

But in liberal democracies, equality under the law does not result in economic or social equality. Discrimination continues to exist against a wide variety of groups, and market economies produce large inequalities of outcome. Despite their overall wealth, the United States and other developed countries have seen income inequality increase dramatically over the past 30 years. Significant parts of their populations have suffered from stagnant incomes, and certain segments of society have experienced downward social mobility.

Perceived threats to one's economic status may help explain the rise of populist nationalism in the United States and elsewhere. The American working class, defined as people with a high school education or less, has not been doing well in recent decades. This is reflected not just in stagnant or declining incomes and job losses but in social breakdown, as well. For African Americans, this process began in the 1970s, decades after the Great Migration, when blacks moved to such cities as Chicago, Detroit, and New York, where many of them found employment in the meatpacking, steel, or auto industry. As these sectors declined and men began to lose jobs through deindustrialization, a series of social ills followed, including rising crime rates, a crack cocaine epidemic, and a deterioration of family life, which helped transmit poverty from one generation to the next.

Over the past decade, a similar kind of social decline has spread to the white working class. An opioid epidemic has hollowed out white, rural working-class communities all over the United States; in 2016, heavy drug use led to more than 60,000 overdose deaths, about twice the number of deaths from traffic accidents each year in the country. Life expectancy for white American men fell between 2013 and 2014, a highly unusual occurrence in a developed country. And the proportion of white working-class children growing up in single-parent families rose from 22 percent in 2000 to 36 percent in 2017.

But perhaps one of the great drivers of the new nationalism that sent Trump to the White House (and drove the United Kingdom to vote to leave the EU) has been the perception of invisibility. The resentful citizens fearing the loss of their middle-class status point an accusatory finger upward to the elites, who they believe do not see them, but also downward toward the poor, who they feel are unfairly favored. Economic distress is often perceived by individuals more as a loss of identity than as a loss of resources. Hard work

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should confer dignity on an individual. But many white working-class Americans feel that their dignity is not recognized and that the government gives undue advantages to people who are not willing to play by the rules.

This link between income and status helps explain why nationalist or religiously conservative appeals have proved more effective than traditional left-wing ones based on economic class. Nationalists tell the disaffected that they have always been core members of a great nation and that foreigners, immigrants, and elites have been conspiring to hold them down. “Your country is no longer your own,” they say, “and you are not respected in your own land.” The religious right tells a similar story: “You are a member of a great community of believers that has been betrayed by nonbelievers; this betrayal has led to your impoverishment and is a crime against God.”

The prevalence of such narratives is why immigration has become such a contentious issue in so many countries. Like trade, immigration boosts overall GDP, but it does not benefit all groups within a society. Almost always, ethnic majorities view it as a threat to their cultural identity, especially when cross-border flows of people are as massive as they have been in recent decades.

Yet anger over immigration alone cannot explain why the nationalist right has in recent years captured voters who used to support parties of the left, in both the United States and Europe. The rightward drift also reflects the failure of contemporary left-leaning parties to speak to people whose relative status has fallen as a result of globalization and technological change. In past eras, progressives appealed to a shared experience of exploitation and resentment of rich capitalists: “Workers of the world, unite!” In the United States, working-class voters overwhelmingly supported the Democratic Party from the New Deal, in the 1930s, up until the rise of Ronald Reagan, in the 1980s. And European social democracy was built on a foundation of trade unionism and working-class solidarity.

But during the era of globalization, most left-wing parties shifted their strategy. Rather than build solidarity around large collectivities such as the working class or the economically exploited, they began to focus on ever-smaller groups that found themselves marginalized in specific and unique ways. The principle of universal and equal recognition mutated into calls for special recognition. Over time, this phenomenon migrated from the left to the right.

## **THE TRIUMPH OF IDENTITY**

In the 1960s, powerful new social movements emerged across the world's developed liberal democracies. Civil rights activists in the United States demanded that the country fulfill the promise of equality made in the Declaration of Independence and written into the U.S. Constitution after the Civil War. This was soon followed by the feminist movement, which similarly sought equal treatment for women, a cause that both stimulated and was shaped by a massive influx of women into the labor market. A parallel social revolution shattered traditional norms regarding sexuality and the family, and the environmental movement reshaped attitudes toward nature. Subsequent years would see new movements promoting the rights of the disabled, Native Americans, immigrants, gay men and women, and, eventually, transgender people. But even when laws changed to provide more opportunities and stronger legal protections to the marginalized, groups continued to differ from one another in their behavior, performance, wealth, traditions, and customs; bias and bigotry remained commonplace among individuals; and minorities continued to cope with the burdens of discrimination, prejudice, disrespect, and invisibility.

This presented each marginalized group with a choice: it could demand that society treat its members the same way it treated the members of dominant groups, or it could assert a separate identity for its members and demand respect for them as different from the mainstream society. Over time, the latter strategy tended to win out: the early civil rights movement of Martin Luther King, Jr., demanded that American society treat black people the way it treated white people. By the end of the 1960s, however, groups such as the Black Panthers and the Nation of Islam emerged and argued that black people had their own traditions and consciousness; in their view, black people needed to take pride in themselves for who they were and not heed what the broader society wanted them to be. The authentic inner selves of black Americans were not the same as those of white people, they argued; they were shaped by the unique experience of growing up black in a hostile society dominated by whites. That experience was defined by violence, racism, and denigration and could not be appreciated by people who grew up in different circumstances.

These themes have been taken up in today's Black Lives Matter movement, which began with demands for justice for individual victims of police violence but soon broadened into an effort to make people

more aware of the nature of day-to-day existence for black Americans. Writers such as Ta-Nehisi Coates have connected contemporary police violence against African Americans to the long history of slavery and lynching. In the view of Coates and others, this history constitutes part of an unbridgeable gulf of understanding between blacks and whites.

A similar evolution occurred within the feminist movement. The demands of the mainstream movement were focused on equal treatment for women in employment, education, the courts, and so on. But from the beginning, an important strand of feminist thought proposed that the consciousness and life experiences of women were fundamentally different from those of men and that the movement's aim should not be to simply facilitate women's behaving and thinking like men.

Other movements soon seized on the importance of lived experience to their struggles. Marginalized groups increasingly demanded not only that laws and institutions treat them as equal to dominant groups but also that the broader society recognize and even celebrate

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*Multiculturalism has become a vision of a society fragmented into many small groups with distinct experiences.*

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the intrinsic differences that set them apart. The term "multiculturalism"—originally merely referring to a quality of diverse societies—became a label for a political program that valued each separate culture and each lived experience equally, at times by drawing special attention to those that had been invisible or undervalued in the past. This kind

of multiculturalism at first was about large cultural groups, such as French-speaking Canadians, or Muslim immigrants, or African Americans. But soon it became a vision of a society fragmented into many small groups with distinct experiences, as well as groups defined by the intersection of different forms of discrimination, such as women of color, whose lives could not be understood through the lens of either race or gender alone.

The left began to embrace multiculturalism just as it was becoming harder to craft policies that would bring about large-scale socioeconomic change. By the 1980s, progressive groups throughout the developed world were facing an existential crisis. The far left had been defined for the first half of the century by the ideals of revolutionary Marxism and its vision of radical egalitarianism. The social demo-

cratic left had a different agenda: it accepted liberal democracy but sought to expand the welfare state to cover more people with more social protections. But both Marxists and social democrats hoped to increase socioeconomic equality through the use of state power, by expanding access to social services to all citizens and by redistributing wealth.

As the twentieth century drew to a close, the limits of this strategy became clear. Marxists had to confront the fact that communist societies in China and the Soviet Union had turned into grotesque and oppressive dictatorships. At the same time, the working class in most industrialized democracies had grown richer and had begun to merge with the middle class. Communist revolution and the abolition of private property fell off the agenda. The social democratic left also reached a dead end when its goal of an ever-expanding welfare state bumped into the reality of fiscal constraints during the turbulent 1970s. Governments responded by printing money, leading to inflation and financial crises. Redistributive programs were creating perverse incentives that discouraged work, savings, and entrepreneurship, which in turn shrank the overall economic pie. Inequality remained deeply entrenched, despite ambitious efforts to eradicate it, such as U.S. President Lyndon Johnson's Great Society initiatives. With China's shift toward a market economy after 1978 and the collapse of the Soviet Union in 1991, the Marxist left largely fell apart, and the social democrats were left to make their peace with capitalism.

The left's diminished ambitions for large-scale socioeconomic reform converged with its embrace of identity politics and multiculturalism in the final decades of the twentieth century. The left continued to be defined by its passion for equality—by *isothymia*—but its agenda shifted from the earlier emphasis on the working class to the demands of an ever-widening circle of marginalized minorities. Many activists came to see the old working class and their trade unions as a privileged stratum that demonstrated little sympathy for the plight of immigrants and racial minorities. They sought to expand the rights of a growing list of groups rather than improve the economic conditions of individuals. In the process, the old working class was left behind.

## **FROM LEFT TO RIGHT**

The left's embrace of identity politics was both understandable and necessary. The lived experiences of distinct identity groups differ, and they often need to be addressed in ways specific to those groups.



Outsiders often fail to perceive the harm they are doing by their actions, as many men realized in the wake of the #MeToo movement's revelations regarding sexual harassment and sexual assault. Identity politics aims to change culture and behavior in ways that have real material benefits for many people.

By turning a spotlight on narrower experiences of injustice, identity politics has brought about welcome changes in cultural norms and has produced concrete public policies that have helped many people. The Black Lives Matter movement has made police departments across the United States much more conscious of the way they treat minorities, even though police abuse still persists. The #MeToo movement has broadened popular understanding of sexual assault and has opened an important discussion of the inadequacies of existing criminal law in dealing with it. Its most important consequence is probably the change it has already wrought in the way that women and men interact in workplaces.

So there is nothing wrong with identity politics as such; it is a natural and inevitable response to injustice. But the tendency of identity politics to focus on cultural issues has diverted energy and attention away from serious thinking on the part of progressives about how to reverse the 30-year trend in most liberal democracies toward greater socioeconomic inequality. It is easier to argue over cultural issues than it is to change policies, easier to include female and minority authors in college curricula than to increase the incomes and expand the opportunities of women and minorities outside the ivory tower. What is more, many of the constituencies that have been the focus of recent campaigns driven by identity politics, such as female executives in Silicon Valley and female Hollywood stars, are near the top of the income distribution. Helping them achieve greater equality is a good thing, but it will do little to address the glaring disparities between the top one percent of earners and everyone else.

Today's left-wing identity politics also diverts attention from larger groups whose serious problems have been ignored. Until recently, activists on the left had little to say about the burgeoning opioid crisis or the fate of children growing up in impoverished single-parent families in the rural United States. And the Democrats have put forward no ambitious strategies to deal with the potentially immense job losses that will accompany advancing automation or the income disparities that technology may bring to all Americans.

Moreover, the left's identity politics poses a threat to free speech and to the kind of rational discourse needed to sustain a democracy. Liberal democracies are committed to protecting the right to say virtually anything in a marketplace of ideas, particularly in the political sphere. But the preoccupation with identity has clashed with the need for civic discourse. The focus on lived experience by identity groups prioritizes the emotional world of the inner self over the rational examination of issues in the outside world and privileges sincerely held opinions over a process of reasoned deliberation that may force one to abandon prior opinions. The fact that an assertion is offensive to someone's sense of self-worth is often seen as grounds for silencing or disparaging the individual who made it.

A reliance on identity politics also has weaknesses as a political strategy. The current dysfunction and decay of the U.S. political system are related to extreme and ever-growing polarization, which has made routine governing an exercise in brinkmanship. Most of the blame for this belongs to the right. As the political scientists Thomas Mann and Norman Ornstein have argued, the Republican Party has moved much more rapidly toward its far-right wing than the Democratic Party has moved in the opposite direction. But both parties have moved away from the center. Left-wing activists focused on identity issues are seldom representative of the electorate as a whole; indeed, their concerns often alienate mainstream voters.

But perhaps the worst thing about identity politics as currently practiced by the left is that it has stimulated the rise of identity politics on the right. This is due in no small part to the left's embrace of political correctness, a social norm that prohibits people from publicly expressing their beliefs or opinions without fearing moral opprobrium. Every society has certain views that run counter to its foundational ideas of legitimacy and therefore are off-limits in public discourse. But the constant discovery of new identities and the shifting grounds for acceptable speech are hard to follow. In a society highly attuned to group dignity, new boundaries lines keep appearing, and previously acceptable ways of talking or expressing oneself become offensive. Today, for example, merely using the words "he" or "she" in certain

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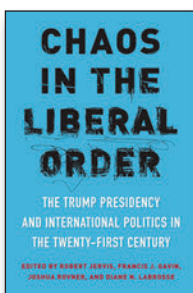
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contexts might be interpreted as a sign of insensitivity to intersex or transgender people. But such utterances threaten no fundamental democratic principles; rather, they challenge the dignity of a particular group and denote a lack of awareness of or sympathy for that group's struggles.

In reality, only a relatively small number of writers, artists, students, and intellectuals on the left espouse the most extreme forms of political correctness. But those instances are picked up by the conservative media, which use them to tar the left as a whole. This may explain one of the extraordinary aspects of the 2016 U.S. presidential election, which was Trump's popularity among a core group of supporters despite behavior that, in an earlier era, would have doomed a presidential bid. During the campaign, Trump mocked a journalist's physical disabilities, characterized Mexicans as rapists and criminals, and was heard on a recording bragging that he had groped women. Those statements were less transgressions against political correctness than transgressions against basic decency, and many of Trump's supporters did not necessarily approve of them or of other outrageous comments that Trump made. But at a time when many Americans believe that public speech is excessively policed, Trump's supporters like that he is not intimidated by the pressure to avoid giving offense. In an era shaped by political correctness, Trump represents a kind of authenticity that many Americans admire: he may be malicious, bigoted, and unpresidential, but at least he says what he thinks.

And yet Trump's rise did not reflect a conservative rejection of identity politics; in fact, it reflected the right's embrace of identity politics. Many of Trump's white working-class supporters feel that they have been disregarded by elites. People living in rural areas, who are the backbone of populist movements not just in the United States but also in many European countries, often believe that their values are threatened by cosmopolitan, urban elites. And although they are members of a dominant ethnic group, many members of the white working class see themselves as victimized and marginalized. Such sentiments have paved the way for the emergence of a right-wing identity politics that, at its most extreme, takes the form of explicitly racist white nationalism.

Trump has directly contributed to this process. His transformation from real estate mogul and reality-television star to political contender took off after he became the most famous promoter of the racist "birther"



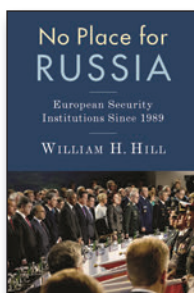
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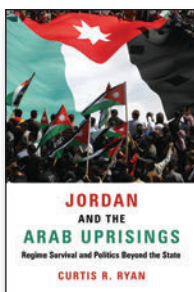
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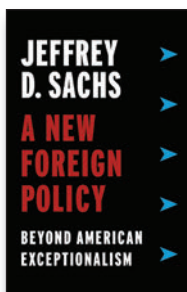
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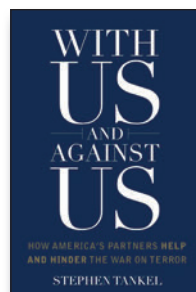


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conspiracy theory, which cast doubt on Barack Obama's eligibility to serve as president. As a candidate, he was evasive when asked about the fact that the former Ku Klux Klan leader David Duke had endorsed him, and he complained that a U.S. federal judge overseeing a lawsuit against Trump University was treating him "unfairly" because of the judge's Mexican heritage. After a violent gathering of white nationalists in Charlottesville, Virginia, in August 2017—where a white nationalist killed a counterprotester—Trump averred that there were "very fine people on both sides." And he has spent a lot of time singling out black athletes and celebrities for criticism and has been happy to exploit anger over the removal of statues honoring Confederate leaders.

Thanks to Trump, white nationalism has moved from the fringes to something resembling the mainstream. Its proponents complain that although it is politically acceptable to talk about black rights, or women's rights, or gay rights, it is not possible to advocate the rights of white Americans without being branded a racist. The practitioners of identity politics on the left would argue that the right's assertions of identity are illegitimate and cannot be placed on the same moral plane as those of minorities, women, and other marginalized groups, since they reflect the perspective of a historically privileged community. That is clearly true. Conservatives greatly exaggerate the extent to which minority groups receive advantages, just as they exaggerate the extent to which political correctness muzzles free speech. The reality for many marginalized groups remains unchanged: African Americans continue to be subjected to police violence; women are still assaulted and harassed.

What is notable, however, is how the right has adopted language and framing from the left: the idea that whites are being victimized, that their situation and suffering are invisible to the rest of society, and that the social and political structures responsible for this situation—especially the media and the political establishment—need to be smashed. Across the ideological spectrum, identity politics is the lens through which most social issues are now seen.

### **A NEED FOR CREED**

Societies need to protect marginalized and excluded groups, but they also need to achieve common goals through deliberation and consensus. The shift in the agendas of both the left and the right toward the protection of narrow group identities ultimately threatens that process. The remedy is not to abandon the idea of identity, which

is central to the way that modern people think about themselves and their surrounding societies; it is to define larger and more integrative national identities that take into account the de facto diversity of liberal democratic societies.

Human societies cannot get away from identity or identity politics. Identity is a “powerful moral idea,” in the philosopher Charles Taylor’s phrase, built on the universal human characteristic of *thymos*. This moral idea tells people that they have authentic inner selves that are not being recognized and suggests that external society may be false and repressive. It focuses people’s natural demand for recognition of their dignity and provides language for expressing the resentments that arise when such recognition is not forthcoming.

It would be neither possible nor desirable for such demands for dignity to disappear. Liberal democracy is built on the rights of individuals to enjoy an equal degree of choice and agency in determining their collective political lives. But many people are not satisfied with equal recognition as generic human beings. In some sense, this is a condition of modern life. Modernization

means constant change and disruption and the opening up of choices that did not exist before. This is by and large a good thing: over generations, millions of people have fled traditional communities that did not offer them choices in favor of communities that did. But the

freedom and degree of choice that exist in a modern liberal society can also leave people unhappy and disconnected from their fellow human beings. They find themselves nostalgic for the community and structured life they think they have lost, or that their ancestors supposedly possessed. The authentic identities they are seeking are ones that bind them to other people. People who feel this way can be seduced by leaders who tell them that they have been betrayed and disrespected by existing power structures and that they are members of important communities whose greatness will again be recognized.

The nature of modern identity, however, is to be changeable. Some individuals may persuade themselves that their identity is based on their biology and is outside their control. But citizens of modern societies have multiple identities, ones that are shaped by social interactions. People have identities defined by their race, gender, workplace,

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*The fight against identity politics in Europe must start with changes to citizenship laws.*

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education, affinities, and nation. And although the logic of identity politics is to divide societies into small, self-regarding groups, it is also possible to create identities that are broader and more integrative. One does not have to deny the lived experiences of individuals to recognize that they can also share values and aspirations with much broader circles of citizens. Lived experience, in other words, can become just plain experience—something that connects individuals to people unlike themselves, rather than setting them apart. So although no democracy is immune from identity politics in the modern world, all of them can steer it back to broader forms of mutual respect.

The first and most obvious place to start is by countering the specific abuses that lead to group victimhood and marginalization, such as police violence against minorities and sexual harassment. No critique of identity politics should imply that these are not real and urgent problems that require concrete solutions. But the United States and other liberal democracies have to go further than that. Governments and civil society groups must focus on integrating smaller groups into larger wholes. Democracies need to promote what political scientists call “creedal national identities,” which are built not around shared personal characteristics, lived experiences, historical ties, or religious convictions but rather around core values and beliefs. The idea is to encourage citizens to identify with their countries’ foundational ideals and use public policies to deliberately assimilate newcomers.

Combating the pernicious influence of identity politics will prove quite difficult in Europe. In recent decades, the European left has supported a form of multiculturalism that minimizes the importance of integrating newcomers into creedal national cultures. Under the banner of antiracism, left-wing European parties have downplayed evidence that multiculturalism has acted as an obstacle to assimilation. The new populist right in Europe, for its part, looks back nostalgically at fading national cultures that were based on ethnicity or religion and flourished in societies that were largely free of immigrants.

The fight against identity politics in Europe must start with changes to citizenship laws. Such an agenda is beyond the capability of the EU, whose 28 member states zealously defend their national prerogatives and stand ready to veto any significant reforms or changes. Any action that takes place will therefore have to happen, for better or worse, on the level of individual countries. To stop privileging some ethnic groups over others, EU member states with citizenship laws based on

*jus sanguinis*—“the right of blood,” which confers citizenship according to the ethnicity of parents—should adopt new laws based on *jus soli*, “the right of the soil,” which confers citizenship on anyone born in the territory of the country. But European states should also impose stringent requirements on the naturalization of new citizens, something the United States has done for many years. In the United States, in addition to having to prove continuous residency in the country for five years, new citizens are expected to be able to read, write, and speak basic English; have an understanding of U.S. history and government; be of good moral character (that is, have no criminal record); and demonstrate an attachment to the principles and ideals of the U.S. Constitution by swearing an oath of allegiance to the United States. European countries should expect the same from their new citizens.

In addition to changing the formal requirements for citizenship, European countries need to shift away from conceptions of national identity based on ethnicity. Nearly 20 years ago, a German academic of Syrian origin named Bassam Tibi proposed making *Leitkultur* (leading culture) the basis for a new German national identity. He defined *Leitkultur* as a belief in equality and democratic values firmly grounded in the liberal ideals of the Enlightenment. Yet leftist academics and politicians attacked his proposal for suggesting that such values were superior to other cultural values; in doing so, the German left gave unwitting comfort to Islamists and far-right nationalists, who have little use for Enlightenment ideals. But Germany and other major European countries desperately need something like Tibi’s *Leitkultur*: a normative change that would permit Germans of Turkish heritage to speak of themselves as German, Swedes of African heritage to speak of themselves as Swedish, and so on. This is beginning to happen, but too slowly. Europeans have created a remarkable civilization of which they should be proud, one that can encompass people from other cultures even as it remains aware of its own distinctiveness.

Compared with Europe, the United States has been far more welcoming of immigrants, in part because it developed a creedal national identity early in its history. As the political scientist Seymour Martin Lipset pointed out, a U.S. citizen can be accused of being “un-American” in a way that a Danish citizen could not be described as being “un-Danish” or a Japanese citizen could not be charged with being “un-Japanese.” Americanism constitutes a set of beliefs and a way of life, not an ethnicity.



Today, the American creedal national identity, which emerged in the wake of the Civil War, must be revived and defended against attacks from both the left and the right. On the right, white nationalists would like to replace the creedal national identity with one based on race, ethnicity, and religion. On the left, the champions of identity politics have sought to undermine the legitimacy of the American national story by emphasizing victimization, insinuating in some cases that racism, gender discrimination, and other forms of systematic exclusion are in the country's DNA. Such flaws have been and continue to be features of American society, and they must be confronted. But progressives should also tell a different version of U.S. history, one focused on how an ever-broadening circle of people have overcome barriers to achieve recognition of their dignity.

Although the United States has benefited from diversity, it cannot build its national identity on diversity. A workable creedal national identity has to offer substantive ideas, such as constitutionalism, the rule of law, and human equality. Americans respect those ideas; the country is justified in withholding citizenship from those who reject them.

## **BACK TO BASICS**

Once a country has defined a proper creedal national identity that is open to the *de facto* diversity of modern societies, the nature of controversies over immigration will inevitably change. In both the United States and Europe, that debate is currently polarized. The right seeks to cut off immigration altogether and would like to send immigrants back to their countries of origin; the left asserts a virtually unlimited obligation on the part of liberal democracies to accept all immigrants. These are both untenable positions. The real debate should instead be about the best strategies for assimilating immigrants into a country's creedal national identity. Well-assimilated immigrants bring a healthy diversity to any society; poorly assimilated immigrants are a drag on the state and in some cases constitute security threats.

European governments pay lip service to the need for better assimilation but fail to follow through. Many European countries have put in place policies that actively impede integration. Under the Dutch system of "pillarization," for example, children are educated in separate Protestant, Catholic, Muslim, and secular systems. Receiving an education in a state-supported school without ever having to deal with people outside one's own religion is not likely to foster rapid assimilation.

In France, the situation is somewhat different. The French concept of republican citizenship, like its U.S. counterpart, is creedal, built around the revolutionary ideals of liberty, equality, and fraternity. France's 1905 law on *laïcité*, or secularism, formally separates church and state and makes impossible the kinds of publicly funded religious schools that operate in the Netherlands. But France has other big problems. First, regardless of what French law says, widespread discrimination holds back the country's immigrants. Second, the French economy has been underperforming for years, with unemployment rates that are twice those of neighboring Germany. For young immigrants in France, the unemployment rate is close to 35 percent, compared with 25 percent for French youth as a whole. France should help integrate its immigrants by making it easier for them to find jobs, primarily by liberalizing the labor market. Finally, the idea of French national identity and French culture has come under attack as Islamophobic; in contemporary France, the very concept of assimilation is not politically acceptable to many on the left. This is a shame, since it allows the nativists and extremists of the far-right National Front to position themselves as the true defenders of the republican ideal of universal citizenship.

In the United States, an assimilation agenda would begin with public education. The teaching of basic civics has been in decline for decades, not just for immigrants but also for native-born Americans. Public schools should also move away from the bilingual and multilingual programs that have become popular in recent decades. (New York City's public school system offers instruction in more than a dozen different languages.) Such programs have been marketed as ways to speed the acquisition of English by nonnative speakers, but the empirical evidence on whether they work is mixed; indeed, they may in fact delay the process of learning English.

The American creedal national identity would also be strengthened by a universal requirement for national service, which would underline the idea that U.S. citizenship demands commitment and sacrifice. A citizen could perform such service either by enlisting in the military or by working in a civilian role, such as teaching in schools or working on publicly funded environmental conservation projects similar to those created by the New Deal. If such national service were correctly structured, it would force young people to work together with others from very different social classes, regions, races, and ethnicities, just

as military service does. And like all forms of shared sacrifice, it would integrate newcomers into the national culture. National service would serve as a contemporary form of classical republicanism, a form of democracy that encouraged virtue and public-spiritedness rather than simply leaving citizens alone to pursue their private lives.

## **ASSIMILATION NATION**

In both the United States and Europe, a policy agenda focused on assimilation would have to tackle the issue of immigration levels. Assimilation into a dominant culture becomes much harder as the numbers of immigrants rise relative to the native population. As immigrant communities reach a certain scale, they tend to become self-sufficient and no longer need connections to groups outside themselves. They can overwhelm public services and strain the capacity of schools and other public institutions to care for them. Immigrants will likely have a positive net effect on public finances in the long run—but only if they get jobs and become tax-paying citizens or lawful residents. Large numbers of newcomers can also weaken support among native-born citizens for generous welfare benefits, a factor in both the U.S. and the European immigration debates.

Liberal democracies benefit greatly from immigration, both economically and culturally. But they also unquestionably have the right to control their own borders. All people have a basic human right to citizenship. But that does not mean they have the right to citizenship in any particular country beyond the one in which they or their parents were born. International law does not, moreover, challenge the right of states to control their borders or to set criteria for citizenship.

The EU needs to be able to control its external borders better than it does, which in practice means giving countries such as Greece and Italy more funding and stronger legal authority to regulate the flow of immigrants. The EU agency charged with doing this, Frontex, is understaffed and underfunded and lacks strong political support from the very member states most concerned with keeping immigrants out. The system of free internal movement within the EU will not be politically sustainable unless the problem of Europe's external borders is solved.

In the United States, the chief problem is the inconsistent enforcement of immigration laws. Doing little to prevent millions of people from entering and staying in the country unlawfully and then engaging

in sporadic and seemingly arbitrary bouts of deportation—which were a feature of Obama’s time in office—is hardly a sustainable long-term policy. But Trump’s pledge to “build a wall” on the Mexican border is little more than nativistic posturing: a huge proportion of illegal immigrants enter the United States legally and simply remain in the country after their visas expire. What is needed is a better system of sanctioning companies and people who hire illegal immigrants, which would require a national identification system that could help employers figure out who can legally work for them. Such a system has not been established because too many employers benefit from the cheap labor that illegal immigrants provide. Moreover, many on the left and the right oppose a national identification system owing to their suspicion of government overreach.

As a result, the United States now hosts a population of around 11 million illegal immigrants. The vast majority of them have been in the country for years and are doing useful work, raising families, and otherwise behaving as law-abiding citizens. A small number of them commit criminal acts, just as a small number of native-born Americans commit crimes. But the idea that all illegal immigrants are criminals because they violated U.S. law to enter or stay in the country is ridiculous, just as it is ridiculous to think that the United States could ever force all of them to leave the country and return to their countries of origin.

The outlines of a basic bargain on immigration reform have existed for some time. The federal government would undertake serious enforcement measures to control the country’s borders and would also create a path to citizenship for illegal immigrants without criminal records. Such a bargain might receive the support of a majority of U.S. voters, but hard-core immigration opponents are dead set against any form of “amnesty,” and pro-immigrant groups are opposed to stricter enforcement.

Public policies that focus on the successful assimilation of foreigners might help break this logjam by taking the wind out of the sails of the current populist upsurge in both the United States and Europe. The groups vociferously opposing immigration are coalitions of people with different concerns. Hard-core nativists are driven by racism and bigotry; little can be done to change their minds. But others have more legitimate concerns about the speed of social change driven by mass immigration and worry about the capacity of existing institutions to accommodate this change. A policy focus on assimilation might ease their concerns and peel them away from the bigots.



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*Identity politics thrives whenever the poor and the marginalized are invisible to their compatriots.*

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Identity politics thrives whenever the poor and the marginalized are invisible to their compatriots. Resentment over lost status starts with real economic distress, and one way of muting the resentment is to mitigate concerns over jobs, incomes, and security. In the United States, much of the left stopped thinking several decades ago about ambitious social policies that might help remedy the underlying con-

ditions of the poor. It was easier to talk about respect and dignity than to come up with potentially costly plans that would concretely reduce inequality. A major exception to this trend was Obama, whose Affordable Care Act was a milestone in U.S. social policy. The ACA's opponents tried to frame it as an identity

issue, insinuating that the policy was designed by a black president to help his black constituents. But the ACA was in fact a national policy designed to help less well-off Americans regardless of their race or identity. Many of the law's beneficiaries include rural whites in the South who have nonetheless been persuaded to vote for Republican politicians vowing to repeal the ACA.

Identity politics has made the crafting of such ambitious policies more difficult. Although fights over economic policy produced sharp divisions early in the twentieth century, many democracies found that those with opposing economic visions could often split the difference and compromise. Identity issues, by contrast, are harder to reconcile: either you recognize me or you don't. Resentment over lost dignity or invisibility often has economic roots, but fights over identity frequently distract from policy ideas that could help. As a result, it has been harder to create broad coalitions to fight for redistribution: members of the working class who also belong to higher-status identity groups (such as whites in the United States) tend to resist making common cause with those below them, and vice versa.

The Democratic Party, in particular, has a major choice to make. It can continue to try to win elections by doubling down on the mobilization of the identity groups that today supply its most fervent activists: African Americans, Hispanics, professional women, the LGBT community, and so on. Or the party could try to win back some of the white working-class voters who constituted a critical part of Democratic coalitions from the New Deal through the Great Society but who have

defected to the Republican Party in recent elections. The former strategy might allow it to win elections, but it is a poor formula for governing the country. The Republican Party is becoming the party of white people, and the Democratic Party is becoming the party of minorities. Should that process continue much further, identity will have fully displaced economic ideology as the central cleavage of U.S. politics, which would be an unhealthy outcome for American democracy.

### **A MORE UNIFIED FUTURE**

Fears about the future are often best expressed through fiction, particularly science fiction that tries to imagine future worlds based on new kinds of technology. In the first half of the twentieth century, many of those forward-looking fears centered on big, centralized, bureaucratic tyrannies that snuffed out individuality and privacy: think of George Orwell's *1984*. But the nature of imagined dystopias began to change in the later decades of the century, and one particular strand spoke to the anxieties raised by identity politics. So-called cyberpunk authors such as William Gibson, Neal Stephenson, and Bruce Sterling saw a future dominated not by centralized dictatorships but by uncontrolled social fragmentation facilitated by the Internet.

Stephenson's 1992 novel, *Snow Crash*, posited a ubiquitous virtual "Metaverse" in which individuals could adopt avatars and change their identities at will. In the novel, the United States has broken down into "Burbclaves," suburban subdivisions catering to narrow identities, such as New South Africa (for the racists, with their Confederate flags) and Mr. Lee's Greater Hong Kong (for Chinese immigrants). Passports and visas are required to travel from one neighborhood to another. The CIA has been privatized, and the aircraft carrier the USS *Enterprise* has become a floating home for refugees. The authority of the federal government has shrunk to encompass only the land on which federal buildings are located.

Our present world is simultaneously moving toward the opposing dystopias of hypercentralization and endless fragmentation. China, for instance, is building a massive dictatorship in which the government collects highly specific personal data on the daily transactions of every citizen. On the other hand, other parts of the world are seeing the breakdown of centralized institutions, the emergence of failed states, increasing polarization, and a growing lack of consensus over common ends. Social media and the Internet have facilitated the

emergence of self-contained communities, walled off not by physical barriers but by shared identities.

The good thing about dystopian fiction is that it almost never comes true. Imagining how current trends will play out in an ever more exaggerated fashion serves as a useful warning: *1984* became a potent symbol of a totalitarian future that people wanted to avoid; the book helped inoculate societies against authoritarianism. Likewise, people today can imagine their countries as better places that support increasing diversity yet that also embrace a vision for how diversity can serve common ends and support liberal democracy rather than undermine it.

People will never stop thinking about themselves and their societies in identity terms. But people's identities are neither fixed nor necessarily given by birth. Identity can be used to divide, but it can also be used to unify. That, in the end, will be the remedy for the populist politics of the present. 🌐



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# The New Arab Order

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## Power and Violence in Today's Middle East

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*Marc Lynch*

**I**n 2011, millions of citizens across the Arab world took to the streets. Popular uprisings from Tunis to Cairo promised to topple autocracies and usher in democratic reforms. For a moment, it looked as if the old Middle Eastern order was coming to an end and a new and better one was taking its place. But things quickly fell apart. Some states collapsed under the pressure and devolved into civil war; others found ways to muddle through and regain control over their societies. Seven years later, those early hopes for a fundamental, positive shift in Middle Eastern politics appear to have been profoundly misplaced.

But the upheaval did in fact create a new Arab order—just not the one most people expected. Although the Arab uprisings did not result in successful new democracies, they did reshape regional relations. The traditional great powers—Egypt, Iraq, and Syria—are now barely functional states. Wealthy and repressive Gulf countries—Qatar, Saudi Arabia, and the United Arab Emirates—are thriving. The proliferation of failed and weakened states has created new opportunities for competition and intervention, favoring new actors and new capabilities. Regional dynamics are no longer determined by formal alliances and conventional conflicts between major states. Instead, power operates through influence peddling and proxy warfare.

In almost every Arab state today, foreign policy is driven by a potent mixture of perceived threats and opportunities. Fears of resurgent domestic uprisings, Iranian power, and U.S. abandonment exist alongside aspirations to take advantage of weakened states and international disarray—a dynamic that draws regional powers into destructive proxy

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*The spoils of war: walking past damaged buildings in Damascus, Syria, May 2018*

conflicts, which sow chaos throughout the region. Any vision of the region finding a workable balance of power is a mirage: the new order is fundamentally one of disorder.

## **THE NEW DISORDER**

The catalog of despair in the Middle East today is difficult to fathom. The Syrian civil war has become one of the greatest human catastrophes in history, killing at least half a million civilians and displacing more than ten million. Iraq has made remarkable progress in defeating the Islamic State, or ISIS, but that success has come at a great cost to those who live in the liberated areas. The civil war in Yemen has resulted in the largest outbreak of cholera in human history and left 8.4 million people on the brink of starvation. Libya remains a catastrophically failed state.

Even states that avoided collapse are struggling. Egypt is still suffering from the consequences of its 2013 military coup, as stifling repression prevents political progress, suppresses tourism, fuels insurgency, and drives popular discontent. Bahrain continues to simmer after 2011's bloody sectarian crackdown, with no solutions on offer beyond repression of the political opposition. Relatively successful states, such as Jordan, Morocco, and Tunisia, are grappling with massive economic problems, discontented youth, and unstable neighbors. In almost every

country, the economic and political problems that drove the region toward popular uprising in 2011 are more intense today than they were seven years ago.

Meanwhile, there is no shortage of flash points in the region. The U.S. withdrawal from the nuclear agreement with Iran has reopened the prospect of an American or Israeli military strike leading to war. The boycott of Qatar, led by Saudi Arabia and the United Arab Emirates, has divided the Gulf Cooperation Council, the most successful Arab international organization. In Syria, Israel's increasingly frequent air strikes, Turkey's cross-border operations, and Iran's entrenched presence are pushing the civil war in new directions even as the armed opposition to the Assad regime fades. The stalemated war in Yemen defies containment, with missiles launched by the Houthi rebels targeting Saudi Arabia, Saudi air strikes causing widespread civilian deaths, and the United Arab Emirates establishing naval bases across the Horn of Africa to help enforce the Saudi-led blockade and to protect its new presence in the country's south. Meanwhile, recurrent violence in Gaza and the death spiral of the two-state solution threaten to return the Palestinian territories to the center of international attention.

Amid all of this, the United States, under President Donald Trump, has enthusiastically aligned itself with an axis of like-minded states: Egypt, Israel, Saudi Arabia, and the United Arab Emirates. But this attempt to restore something that resembles the pre-2011 order is far shakier than it appears. In the Middle East today, the proliferation of failed states, unresolved crises of governance, and crosscutting lines of competition undermine every exercise of power. When states attempt to assert control at home or influence abroad, they only exacerbate their own insecurity. The Trump administration's decision to double down on support for autocratic regimes while ignoring the profound structural changes that stand in the way of restoring the old order will neither produce stability nor advance U.S. interests.

## **THE CHANGING BALANCE**

There is nothing new about cross-border politics in the Middle East, but the structure and dynamics of the region today are quite different than they were in earlier periods. The 1950s and 1960s were defined by what the scholar Malcolm Kerr famously called "the Arab Cold War." Under President Gamal Abdel Nasser, Egypt competed with Western-backed regimes and the conservative forces of Saudi Arabia in conflicts

that ranged from direct military intervention in Yemen to proxy struggles over domestic politics in Jordan, Lebanon, and Syria. Meanwhile, pan-Arabism—the belief in a shared Arab nation—established the terms for both cooperation and competition among the region’s leaders on a platform of anticolonialism, Arab unity, and hostility toward Israel.

Conventional accounts of Middle Eastern history view the 1970s as the end of these cross-border ideological wars. With the death of Nasser and the sudden advent of massive oil wealth, states became more interested in regime survival than grand ideological causes. During this period, countries developed stronger national security apparatus, which blocked domestic uprisings. And as states became more internally secure, there were

fewer opportunities for proxy interventions. (Lebanon, to its eternal misfortune, was the exception to this rule, and its civil war, which lasted from 1975

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*The 2011 Arab uprisings  
did not come out of nowhere.*

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to 1990, became the primary arena for proxy conflicts.) Even the 1979 Iranian Revolution, which introduced a new form of cross-border popular mobilization among Islamists, who were inspired by the successful overthrow of a U.S.-backed despot, failed to regenerate those same proxy-war dynamics. Instead, the Arab regimes united against a shared enemy and doubled down on their repression of Islamist challengers at home.

Contrary to the standard story, however, that era of hard states had been fading for some time before the 2011 eruption. In the 1990s, globalization began to introduce fundamental challenges to the traditional Middle Eastern order. New international economic orthodoxies pushed states to cut social welfare spending and public employment. The large Arab states saw poverty grow and their infrastructure decay. Even the wealthy oil states found themselves at the mercy of global economic forces, such as the 2008 financial crisis and fluctuations in oil prices. At the same time, satellite television, smartphones, social media, and other new technologies undermined regimes that had become dependent on controlling the flow of information and the expression of opinion. And after 2001, the global war on terrorism, the demons unleashed by the U.S. occupation of Iraq, and the collapse of the Israeli-Palestinian peace process undermined the foundations of regional cooperation. By 2010, little justification remained for the Arab order beyond containing Iran and stifling democratic change.

The 2011 Arab uprisings did not come out of nowhere; they were the culmination of structural changes that had been developing for a long time. Popular frustration with countries' stagnant economies and lack of political freedoms had been mounting for at least a decade. The region's political space had become unified through satellite television, the Internet, and other transnational networks, which allowed protests to spread rapidly from Tunisia to Egypt and then across the entire region. These simultaneous uprisings revealed a great deal about the internal strength of the Arab states: some easily adapted, others barely made it through, and the rest collapsed.

Although the impact of the uprisings on domestic politics was obvious, observers paid less attention to how the fallout fundamentally altered the regional balance of power. Traditional powers such as Egypt and Syria were consumed by domestic conflicts, which left them unable to project power abroad. The wealthy Gulf states, on the other hand, were almost ideally suited to the region's new structural realities. Money, media empires, and a central position in robust transnational networks such as the Muslim Brotherhood (Qatar) or international business (the United Arab Emirates) have allowed them to exercise soft power. Despite their small size, these countries have extremely well-equipped and well-trained militaries, supplemented by well-compensated mercenaries. This has enabled them to project far more hard power into arenas such as Libya and Yemen than the traditional Arab powers ever could. Most important, these regimes exercise near-total control over their populations, which means that they can dismiss external meddling in ways that larger, less wealthy, and less repressive states cannot. This is true even when they turn on one another. The year-long effort by Saudi Arabia and the United Arab Emirates to destabilize Qatar by cutting off diplomatic relations, sowing misinformation, and instituting an economic and trade embargo has mostly failed because Qatar has the financial resources and the repressive capacity to quell potential domestic challenges.

## **POWER TO THE PROXIES**

In this new regional order, power itself operates in a different way. The uprisings created new fears about regime survival, even among the most successful players. At the same time, failed states and civil wars have presented countries with new opportunities to expand their influence. The unification of the Arab political space through the



intense experience of the uprisings made states view every event in the region as both an index of power and a potential threat: no state could afford to opt out. Whether out of a desire to spread power or a defensive interest in preventing rivals from doing the same, almost every regime has found itself drawn into civil wars and other power games.

If Tunisia and Egypt demonstrated the risks of popular uprisings to leaders who had grown too confident in their ability to prevent challenges to their rule, Libya offered the first template for taking advantage of these upheavals. When the Arab uprisings reached Libya, three Gulf states—Qatar, Saudi Arabia, and the United Arab Emirates—along with Turkey, leaped at the opportunity to move against the despised Libyan leader Muammar al-Qaddafi. The Gulf countries used their media empires to bring attention to Libya's atrocities (while ignoring simultaneous violence in Bahrain). And they passed an Arab League resolution to help push the United States and the United Nations into supporting a humanitarian intervention. They also funneled huge quantities of weapons and money to their preferred local militias fighting the regime.

These indirect interventions had long-lasting, negative effects. Qatar and the United Arab Emirates both supported the opposition to Qaddafi, but they backed different local proxies. After the regime fell, those forces retained both their weapons and their external patrons, thus impeding the consolidation of a functional Libyan state and enabling the country's subsequent descent into civil war. Even today, Egyptian and Emirati military support for the commander Khalifa Haftar's Operation Dignity, whose forces control much of eastern Libya, is accelerating and intensifying the fighting.

But the devastating fallout of external involvement was not immediately apparent. In the heady days of 2011, the Gulf states and Turkey (like the United States) viewed their intervention in Libya as a success story: they realized the benefits of supporting local proxies and learned that they could secure U.S., European, and UN support for interventions against their rivals. With their eyes opened to new possibilities, they saw the popular uprising against Syria's President Bashar al-Assad as an opportunity to pry Syria away from Iran and revise the regional balance of power decisively in their favor. When it became apparent in early 2012 that they could not replicate their success in Libya by gaining UN Security Council support for an intervention against Assad,

the Gulf states and Turkey instead moved to arm the Syrian insurgency. Even if this failed to bring down Assad, they saw an opportunity to bloody an Iranian ally and take the fight to the turf of a key rival.

This external support to the Syrian rebels produced catastrophic results, accelerating the violence without offering any plausible road to resolution. Although the Assad regime bears the most responsibility for the conflict's systematic atrocities and brutality, the external backers of the insurgency also helped intensify the war despite the obvious costs. The structure of the region's new politics dictated failure. Each time the rebels made inroads, competing external actors—Iran, Hezbollah, and Russia—intervened on the side of Assad. Each advance generated an inevitable countermove, which only escalated the level of human suffering. In one of the most decisive examples of this dynamic, in 2015, after radical externally backed insurgent groups gained ground in northern Syria, Russia brutally intervened in Aleppo.

The competing forces in Syria did not prove equally skilled at proxy warfare. The forces backing Assad focused like a laser on supporting the regime. The Iranians, in particular, have mastered the art of sponsoring local militias, often with the direct guidance and support of the Islamic Revolutionary Guard Corps. Qatar, Saudi Arabia, and Turkey, on the other hand, viewed one another as rivals as much as allies, and their competitive and uncoordinated efforts consistently backfired. (The United Arab Emirates took a back seat in Syria.)

Although the United States attempted to force cooperation among the Qatari-, Saudi-, and Turkish-backed factions, it failed to overcome the infighting among their sponsors or to impose a coherent strategy. These problems were magnified by the privatization of the flow of arms and money to insurgent groups in the decisive days of late 2012 and early 2013, as Salafi networks in the Gulf poured money into the insurgency. This generated even more tension and pulled the insurgency's center of gravity toward the jihadist end of the spectrum. As the war ground on, the Gulf states and Turkey shifted their support to increasingly radical Islamist coalitions in the search for effective fighters. ISIS emerged from this environment, not as a proxy of any state but as an insurgent force that was well adapted to what Syria had become.

After years of attempting to simultaneously arm, restrain, and shape the opposition from a distance, the United States ultimately intervened in Syria to fight not Assad but ISIS. This intervention succeeded on its own terms, destroying ISIS as a state-like entity in both Iraq and Syria.

At the same time, the campaign's limited scope and mandate prevented the United States from becoming entrapped in a wider conflict with Assad and Russia. But the complexities of managing even this limited intervention against ISIS proved daunting and generated unintended new commitments. The last several years have been characterized by U.S. and Russian efforts to manage their competition in Syria. Meanwhile, the Iranian- and Russian-backed regime has relentlessly recaptured territory from the steeply declining, externally backed insurgency.

But even the collapse of ISIS and the Assad regime's significant territorial gains have not brought the conflict closer to a conclusion. Syria's failed state continues to exercise a magnetic pull on other countries in the region. The campaign against ISIS,

for example, ultimately led to greater Turkish involvement. In 2015, in desperate need of local proxies to fight ISIS, the United States settled on the Kurdish-dominated People's Protection Units, or YPG, which it armed, along with other militias, under the banner of the

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*Every Arab regime today  
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Syrian Democratic Forces, or SDF. The success of these forces triggered Turkish fears of Kurdish separatism, which in 2017 led Turkey to undertake its own escalating military interventions in several key areas in northern Syria. At the same time, Israel began increasing its air strikes against Iranian and Hezbollah targets across Syria. Both the opposition to the regime and the campaign against ISIS now seem to be winding down, but the Syrian war is more internationalized than ever.

Although Syria is the most cataclysmic case, the regional powers have created enormous human and political damage elsewhere, too, in their quest for influence and prestige. Their efforts have even destabilized countries that were not embroiled in civil war. The worst example of this is Egypt. In 2013, Saudi Arabia and the United Arab Emirates backed General Abdel Fattah el-Sisi's military coup, which overthrew Mohamed Morsi, the democratically elected president who was a member of the Muslim Brotherhood and supported by Qatar. But despite tens of billions of dollars in Gulf aid, Sisi's brutally repressive regime has failed to restore normalcy or stability in Egypt. Even in Tunisia, which has been relatively successful, competition between Qatar and the United Arab Emirates has driven instability.

The large-scale injection of foreign cash and political support for local allies has polluted the country's nascent democratic politics.

## **SECURITY DILEMMAS EVERYWHERE**

These turbulent regional dynamics are the product of classic "security dilemmas": when states attempt to increase their own security, they trigger countermeasures that leave them even less secure than they were before. Every Arab regime today lives under the condition of profound perceived insecurity. For all their bravado, they are terrified of another outbreak of popular protests. And the rapid proliferation of protests in 2011 convinced states that an uprising anywhere in the region could ignite one at home. When economic protests rocked Jordan this past May, Qatar, Saudi Arabia, and the United Arab Emirates immediately renewed economic assistance to Amman in order to stem the unrest.

But when states attempt to repress potential challengers by exerting greater control over their societies, they typically only make the situation worse. The harder they crack down, the more anger and resentment they generate and the more possibilities for democratic inclusion they foreclose. This dynamic can be seen most clearly in Egypt, where Sisi has expanded his anti-Islamist campaign to include secular activists, journalists, and academics. As a result, he has alienated increasingly large segments of the coalition that supported the coup.

These domestic security dilemmas explain otherwise inexplicable foreign policy decisions. Consider Saudi Arabia's new crown prince, Mohammed bin Salman. After quickly consolidating power, the crown prince, also known as MBS, made dramatic shifts in domestic policy. He introduced social reforms, such as allowing women to drive and opening movie theaters. At the same time, he cracked down on women's rights activists, arrested and intimidated a significant swath of the country's elites, and sidelined key parts of the religious establishment. But MBS' remarkably successful power consolidation at home should not be viewed in isolation from his disastrous and hyperaggressive interventions abroad. Even before his domestic power grab, he decided to intervene in Yemen's civil war, assuming that a quick victory there would mobilize support at home. Instead, Saudi forces became trapped in a devastating quagmire. Likewise, the 2017 blockade and boycott of Qatar was expected to both establish Saudi dominance of the Gulf Cooperation Council and undercut any domestic challenge from the

Muslim Brotherhood. Instead, it backfired: Qatar proved more resilient than most people expected. The blockade also undermined relations with Washington, damaged attempts to contain Iran, and weakened the Gulf Cooperation Council, perhaps fatally. In both Yemen and Qatar, Saudi Arabia has found itself trapped, unable to escalate enough to win but also unable to back down for fear of the domestic political consequences.

The competition between the Arab countries and Iran provides another example of the security dilemma at work. Although Arab fears of Iranian expansionism are grounded in reality, those anxieties have always been far out of proportion to actual Iranian power. Perversely, however, the more that Arab states do to confront Iran, the stronger it becomes. In Yemen, the Emirati and Saudi campaign has turned what was originally a minor Iranian foothold into a stronger strategic alliance with the Houthi rebels and led to greater penetration by Iranian-backed proxies. In Syria, the insurgency backed by the Gulf countries and Turkey has given Iran a much more commanding role in the country. And in Lebanon, the bizarre spectacle of the Saudi government holding Lebanese Prime Minister Saad Hariri hostage in Riyadh for several weeks triggered a domestic political crisis that ultimately weakened the pro-Saudi Sunni coalition in the Lebanese parliament.

But these new dynamics are not merely the result of interstate competition; they are also the product of weak and fragile states, which generate their own security dilemmas by creating power vacuums. Even if a regional power does not immediately view a power vacuum as a good opportunity to expand its own influence, it fears that its rivals will. And once a state gets involved, it believes that reducing support for its local proxies will only strengthen the proxies of its regional rivals. That fear makes de-escalation intensely difficult in the civil wars in Libya, Syria, and Yemen. Even if actors recognize that their interventions have failed, they are trapped by the competitive logic of the security dilemma—unable to win yet unable to leave.

## **THE NEW NORMAL**

In a region so saturated with security dilemmas, no amount of reassurance from the United States can ever be enough. The unprecedented volume of U.S. arms sales to Saudi Arabia and the United Arab Emirates over the last five years (which was approved by the Obama administration to garner support for the Iran nuclear deal) has not left either of



those countries any more secure. Even as Washington has given up any talk of democratization or human rights compliance, autocracies have not had an easier time resolving their internal challenges. The U.S. withdrawal from the Iran nuclear deal has only increased fears among the Arab Gulf states of an increasingly powerful Iran. Washington's one-sided support for Israel amid violence in Gaza has deepened that country's international isolation and hastened the likelihood of another conflict. And although the United States has brought the Sunni Gulf states into increasingly open alignment with Israel, this effort has been undermined by the Emirati and Saudi clash with Qatar.

Even with a U.S. president who takes a hard line on Iran and seems to have no problem with autocratic rule, the Arab regimes no longer see the United States as a reliable guarantor of regime survival or their foreign policy interests. In this new environment, it makes sense for even close U.S. allies to build relationships with China, Russia, and the EU—as Egypt, Saudi Arabia, Turkey, the United Arab Emirates, and even Jordan are now doing. Such efforts are a rational hedge against the unpredictability of the United States, but they could easily escalate into something more through the same security-dilemma dynamics that have unsettled all other dimensions of regional politics.

The Trump administration has struggled to manage these new realities. Trump's sudden policy changes and the wildly incoherent messaging that is coming from different parts of the U.S. government are confusing allies and adversaries alike. Saudi Arabia and the United Arab Emirates may like Trump's harder line on Iran and his support for the war in Yemen, but other policies, such as Washington's pressure on them to end the blockade of Qatar, its demands for them to increase oil production, and the signals of its intention to pull out of Syria, have generated new frustrations.

Still, Trump's chaotic administration should not distract from the deeper structural realities, which would have presented a challenge to any U.S. president. The United States no longer has the power or the standing to impose a regional order on its own terms. In all likelihood, U.S. hegemony in the Middle East will never be restored because the region has fundamentally changed. Moving beyond the wars and political failures that followed the Arab uprisings will not be easy. The damage is too deep. 🌐

## PART I

# *Kazakhstan:* The Transition To A Knowledge Based Economy



Kazakhstan's achievements since its independence in 1991 have been quite remarkable. The past decade in particular has been a time of great prosperity and improving living standards, mainly due to increased production and high prices of commodities. Among post-Soviet states, Kazakhstan was on the leading edge of reforms in the late 1990s and early 2000s.

Kazakhstan prudently invested some of its earnings from this period in a national fund that helped the country effectively navigate the aftermath of the 2008 global financial crisis. Now this growth model is being tested by a challenging global economic scenario and above all, a reduced outlook for revenues from oil and other commodities.

The authorities understand that achieving sustainable economic growth requires unleashing new drivers of growth.

As Daniyar Akishev, Governor of the National Bank Of Kazakhstan points out: "the

main challenges of diversifying the economy of Kazakhstan are the low participation of private capital in the innovation process, the weak interaction of science and production, the shortage of qualified personnel in high-tech industries, a small share of small and medium-sized businesses. At the moment, the government is taking strong and effective measures to overcome these difficulties through the implementation of various state programs "

In 2015, Kazakhstan started a long-term transformation program intended to have a lasting effect on local entrepreneurs, industry, and infrastructure. Under the "Nurly Zhol" plan --a state infrastructure development program for 2015-2019 that guarantees some US\$16 billion from various sources, including the state budget, the National Fund and international financial institutions-- the government envisages more spending to support local entrepreneurs, the banking system, and infrastructure development.

Numerous sectors are currently testing modernizing strategies to decrease oil dependence, develop transport hub capacities, increase financial intermediation, and improve the business climate.

The conditions for doing business have already improved considerably: in the World Bank "Doing Business" ratings, Kazakhstan now ranks 36th out of 190 states and, alongside Russia, has the best indicators among post-Soviet states.

According to the Minister of National Economy, Timur Suleimenov, Kazakhstan is striving to become one of the world's top 30 most competitive economies by 2050, as described in the "Kazakhstan 2050" strategy. "To achieve this ambitious goal, we plan to grow by 5-6% annually in GDP, increase investments from 18% to 30% of GDP, increase labor productivity by 5 times, and increase the share of SMEs in GDP from 25% to 50%," the Minister said.

## ONE BELT ONE ROAD - INTEGRATING HIGH VALUE CHAINS

Few anticipated the resurgence of the ancient trade routes that once spun the Eurasian continent. Trade on the Silk Road played a key role in the development of the civilizations of China, Japan, India, Iran/Persia, Europe, the Horn of Africa and Arabia, opening long-distance trade, economic and political relations between the civilizations. In the 16th century, the discovery of new sea routes all but eclipsed a network that at one point crossed all of Eurasia.

Fast forward to today, the Silk Road Economic Belt and the 21st-century Maritime Silk Road is a development plan proposed by the Chinese government that emphasizes connectivity and cooperation between Eurasian countries. The Belt and Road Initiative addresses an "infrastructure gap" and thus has potential to accelerate economic growth across the Asia Pacific area and Central and Eastern Europe. The network connects Asia, Europe and Africa, and guarantees to further integrate its 4.4 billion population into a global network, enabling the exchange of goods and ideas. President Xi Jinping of China believes this is a long-term plan that promises more than US \$1 trillion invested in infrastructure, will engage the current and future generations to drive economic growth globally and further develop the Eurasian Region..

Among countries in central Asia now turning their attention to the opportunities

offered by China's "Belt and Road (B&R) Initiative", Kazakhstan has been particularly fast off the blocks.

As the largest landlocked country in the world, wedged between emerging powers Russia and China, sitting on a wealth of oil and mineral deposits, Kazakhstan's location is unique.

As Minister of National Economy Suleimenov revealed, "Kazakhstan is located in the heart of the Eurasian continent, which opens up huge opportunities for Kazakhstan to represent international transit routes between Europe and Asia. This initiative allows us to participate in a large-scale project for the construction of an international transit route -Western Europe - Western China. We expect that about 8% of the trade turnover between China and European countries will pass through this transport corridor by 2020."

Multilateral institutions and development banks are investing billions of dollars in loans to fund an international corridor that will connect China to Western Europe. The corridor is projected to have a positive impact on the regional trade, optimizing logistics costs, promoting new trade agreements and facilitating the development of new manufacturing export hubs outside China.

To strengthen its critical role in the new One Belt One Road initiative, Kazakhstan has contracted with the Dubai-based logistics group DP

World to develop its free economic zone, "Khorgos—Eastern Gate," which processed 350,500 loads of TEU (twenty-foot equivalent unit) between 2015 and 2017. Kazakhstan proposes transport links and logistics support reducing the cost and time of cargo transportation from north to south and from east to west.

Sultan Ahmed Bin Sulayem, Group Chairman and CEO, DP World, said: "Kazakhstan is an important link in the New Silk Route and in the development of the Belt and Road Initiative. Focusing on soft and hard infrastructure development that supports multimodal transport links will be key in realizing its potential as a transit corridor as well as boosting its own economy."

Energy integration is also part of the initiative. Bakytzhan Kazhiyev, Chairman of The Management Board of KEGOC, Kazakhstan's largest utility company noted, "As a part of the development strategy KEGOC actively develops cooperations with domestic and foreign partners in the electric power industry: GE, SIEMENS, ABB, NREL DigSilent and others. Looking ahead, in the longer term we will have to integrate the national energy systems on a global scale. This will be a natural development of the global power industry and such initiatives are already voiced at the international level. With the globally integrated energy network and large-scale development of renewables, the green energy has the potential to cover the future global energy demand."

## INCREASING FINANCIAL INTERMEDIATION AND RELAUNCHING A PRIVATIZATION WAVE

Although Kazakhstan's economy is growing steadfastly, the challenges facing the country's banking and financial sectors have not yet been overcome. Back in the 2000s, the financial sector was successful and banking assets amounted to almost 100 percent of GDP—but these achievements were tarnished by the economic crises of 2007-08 and then 2014.

To address this issue, the Astana International Financial Center (AIFC) was launched on January 1, 2018. The launch of the AIFC is part of the President's "100 Concrete Steps", a detailed roadmap which aims to bring Kazakhstan into the world's 30 most developed countries by 2050.

The AIFC is supported by an ambitious objective to become the financial hub for Central Asia, the Caucasus, Eurasian Economic Union, the Middle East, and Europe. The new financial centre is positioning itself to attract US\$40 billion of investments by 2025 and guarantee about 1 per cent growth in the carbonless GDP of Kazakhstan.

The AIFC is a unique institution offering straightforward tax, visa and labor regimes, including tax exemptions until 2065, free flow of capital, ultra-modern infrastructure, and a special visa program for foreign citizens. Based on the extraterritoriality principle, the AIFC abides to the norms of British law, with legal proceedings in English. Such a move, however, is not a panacea for Kazakhstan's delicate investment climate

as it has to take institutional and legislative steps if it is to build greater economic partnerships and diversify its investments.

As Kairat Kelimbetov, Governor of AIFC explains, "It is obvious that each investment decision, especially when made abroad, is driven not only by its financial attractiveness, but also by the economic stability of country, fair and transparent market, effective legal systems, favorable environment, and availability of infrastructure, among others. In other words, an international investor needs long-term confidence in the recipient country and that is exactly what is being built in Kazakhstan by the country's support and AIFC's efforts, in particular. To earn the global community's confidence, AIFC has invested a significant amount of time in building its fundamental blocks, which will guarantee the resilience, security and efficiency of its underlying systems."

The Astana International Financial Center and the Astana International Exchange (AIX) will become the main stages for privatization. One of main objectives of President Nazarbayev's recent address to the nation - "New development opportunities under the Fourth industrial revolution" - is the acceleration of the implementation of the privatization plan. Kazakhstan's \$67 billion worth sovereign wealth fund Samruk-Kazyna has sold over 120 small and mid-sized assets and is preparing larger assets for IPO under its privatization program.

# THE LEGACY OF EXPO 2017: RENEWABLES POTENTIAL

During the Expo 2017 Astana, President Nazarbayev announced an economic transformation centered on sustainable development, greater foreign investment, and a move toward renewable energy. This was an important announcement given the fact that since independence Kazakhstan's economy has been driven by the extractive industry, with oil accounting for 50 percent of the country's GDP in 2017. Sitting on the 11th-largest oil reserves in the world, Kazakhstan's abundant natural resource

wealth has been the key to rapid economic development.

In 2013, Kazakhstan created the "National Concept for Transition to a Green Economy up to 2050" outlining a future development path guided by green energy policies. The plan aims to expand the share of renewable energy in electric power generation to 30 percent by 2030 and 50 percent by 2050.

Nowadays, renewable sources (excluding hydropower) represent less than 1 percent of power produced in Kazakhstan. Both the

government and independent observers corroborate that the potential for renewables is high. Foreign investors, such as the European Bank for Reconstruction and Development, are funding several high-profile pilot projects throughout the country.

Kazakhstan has committed to a 15-25% carbon dioxide reduction target compared with 1990 levels under the COP21 Paris agreement. This, coupled with feed-in tariffs linked to US dollars for renewables, should help the business case for renewables.

## An Interview With Mr. Todd Levy, President of Chevron Europe, Eurasia and Middle East Exploration and Production Company

**In 1993, Chevron signed the foundation agreement with the Republic of Kazakhstan that created the joint-venture company Tengizchevroil. What role has Chevron played in making the country what it is today, and how do you measure its success as a transformative influence?**

Chevron is proud to be one of the first foreign investors in Kazakhstan and has been successfully working in Kazakhstan for 25 years. The Tengizchevroil joint venture (TCO) is a bellwether partnership not only in the region but globally, showcasing how a successful partnership can provide mutual benefits for shareholders as well as long lasting benefits for the people of Kazakhstan.

In April 2018, we are celebrating the 25th anniversary of TCO. Along the way, TCO delivered impressive results in safety, production and revenue, and in the process, created thousands of jobs, provided specialized training, established a supplier base, supported the growth of local businesses, and actively invested in the development of the local communities. Through 2017 TCO contributed over \$125 billion into the Kazakh economy.

Success can of course be measured in many ways. Last summer, Tengiz produced its 3 billionth barrel of crude. This milestone wouldn't have been possible without the collective efforts of the many thousands of TCO team members and support from the Republic of Kazakhstan leadership over the decades.

On top of which, TCO has invested more than \$24 billion on Kazakhstani goods and services since 1993.

**What would you say are the highlights of your operations as well as your growth strategy in the region?**

Chevron is Kazakhstan's largest private oil producer, holding important stakes in two of the nation's biggest oil-producing fields – Tengiz and Karachaganak.

The Tengiz Field is one of the world's deepest operating super-giant oil fields, with the top of the reservoir at about 12,000 feet (3,657 m) below ground. Alongside, Tengiz, TCO is also developing the nearby Korolev Field. Additionally, Chevron holds an 18 percent interest in the Karachaganak Field, one of Kazakhstan's largest petroleum producing reserves.

In 2008, we successfully completed a major expansion of the Tengiz Field and began piloting high pressure gas injection into the reservoir utilizing cutting edge technology. The injection pilot proved highly successful and is a foundation to our current major expansion of the Tengiz Field, which will increase crude oil production to about 850,000 barrels per day, with peak rates exceeding 900,000 barrels of crude oil per day.

Chevron has continued to bring advanced technologies to bear in the development and operation of the Tengiz Field. These technologies include revolutionary seismic techniques which have enabled optimized well placement, state of the art reservoir modeling and advances in data application to increase production.

**A consortium of international oil majors led by Chevron has approved a \$36.8-billion expansion plan for the giant Tengiz oilfield in Kazakhstan. Plans are to bolster production to approximately 1 million barrels a day. This is a historic event not just for the oil and gas sector but for the whole country. Challenges and opportunities for the years to come?**

People often ask, what's next for this super giant oil field? Well, the next stage of expansion,

the Future Growth Project-Wellhead Pressure Management Project (FGP-WPMP), is designed to further increase TCO's production (by approximately 260,000 barrels per day), increase the ultimate recovery of the field, extend the field's production plateau and keep the existing plants producing at full capacity. The final investment decision was given for this expansion in July 2016.

Executing this project on schedule and on budget will have a positive effect on Kazakhstan's investment climate. The success of FGP-WPMP will establish a strong foundation for more projects to come.

This next phase of Tengiz expansion will benefit the country and generations of Kazakhstanians further.

Since 2010 alone, FGP-WPMP has spent around \$4 billion on Kazakhstani content and more than 2,000 Kazakhstani companies have been pre-screened, with more than 300 being awarded contracts. In addition, more than 33,000 Kazakhstanians are currently employed on FGP-WPMP, representing more than 91% of the project workforce in-country.

Alongside the revenues and taxes that will be realized from increased Tengiz production, FGP-WPMP is already generating many other significant economic benefits for Kazakhstan.

Through the wide participation from Kazakhstani companies, the project is creating prosperity by building local capacity and creating a legacy of new capabilities in areas such as engineering, high-tech equipment servicing, project management and construction.

We are also forming joint ventures between Kazakhstani and international companies for engineering, module fabrication and drilling.

We're proud of so many things we've been able to achieve in partnership with the Republic of Kazakhstan.



## THE INNOVATION ECONOMY

Kazakhstan's wealth still depends considerably on petroleum and mineral extraction, making its economy vulnerable to global markets volatility—slowdowns in Russia and Asia have had a harmful effect on the economy. In order to diversify and modernize, Kazakhstan is executing a series of new policies designed to boost the country's knowledge-based economy.

The main objective of the government program "Digital Kazakhstan" is the improvement of the competitiveness of Kazakhstan's economy and quality of life through the gradual development of the digital ecosystem. The "Digital Kazakhstan" program supports how a digital ecosystem development becomes the main driver of the economy, improves conditions for business dealing, raises the level of digital literacy of the population, and in general, the competitiveness of the nation. Labor automation, robotics, artificial intelligence, exchange of "big data", 3D printing and virtual reality - innovative technologies not only create new spheres of business but also provide stimulus to traditional sectors of the economy, such as industry, agriculture, logistics, and construction.

As Aidar Arifkhanov, Chairman of Baiterek National Managing Holding, points out, "Key initiatives of the Government within the State Program "Digital Kazakhstan" could be highlighted as institutional reforms: creation of the international Technopark of IT-startups (Astana hub), legislation improvement on the issues of venture (risk) financing, assistance in creation of corporate venture funds and favorable conditions for corporate innovation.

Holding Baiterek is at the vanguard of key government initiatives of the Government and starting in 2018, in accordance with the best world practice, launches a business incubation development program in a pilot mode. The program will provide financial and methodological support to private business incubators and technology businesses."

Creating a "Digital Silk Road" is one of the pillars of the "Digital Kazakhstan" initiative. As Saparbek Tuyakbayev, Chairman of the Board Of Kazhahk Invest national company remarks, "This is the development of a reliable, affordable, high-speed, secure digital infrastructure. If we look at logistics for instance, in order to reduce the time for processing orders and to select the optimal logistics route, an integrated multi-modal transportation management platform is implemented on the principle of a "single window". Information systems are also being introduced in freight rail transport. They increase the efficiency of the organization of the transportation process".

## KAZAKHSTAN AND THE WORLD

Easing the way forward for foreign investors is on top of the government's agenda. As Minister of Investment and Development, Zhenis Kassymbek points out, "We are working on reforming various parts of our laws, tax codes and customs regulations to improve the investment and entrepreneurial climate. We have reduced the red tape, decreased the number of documents, permits and licenses required for investment as well as time needed for obtaining them."

Investment and other bureaucratic processes are becoming electronic, and inspections by civil servants have become streamlined and shortened. Legislations on enforcing these reforms have become stricter. "Thanks to these efforts, the total amount of foreign direct investment in Kazakhstan topped \$20 billion last year," according to the Minister. "Investors regard Kazakhstan as a gateway to the Eurasian Economic Union market of 180 million people."

In 2016, Kazakhstan became the first Central Asian country to be elected as a non-permanent member of the UN Security Council. It's a huge milestone for Kazakhstan and true evidence of Kazakhstan's growing role in the international community.

Along with the Kazakhstan 2050 Strategy, the goal of joining the OECD, and several institutional reforms, the authorities seek to bring about long-term cultural, institutional, and social transformations. Yet for the moment, while economic changes are certainly in transition, political reforms remain to be seen.

## An Interview With **H.E. Mr. KAIRAT ABDRAKHMANOV**, *Minister of Foreign Affairs of Kazakhstan*

**Kazakhstan had a challenging 2016, but prudent intervention from the Central Bank and a well-rounded government vision for the future mean confidence is beginning to creep back into the economy. What mechanisms will the government use to achieve long-term sustainable economic growth?**

Despite the legacy impact of the global economic crisis, Kazakhstan continues to show robust economic growth. The country's GDP grew 4% in 2017 and industrial production increased more than 7% in the

same period. The processing sector continued to account for more than 40% of total industry volume.

Looking forward, Kazakhstan has a clear vision for its future development. By 2050, we seek to become one of the top thirty most competitive economies in the world, meeting the most advanced global standards in terms of economic performance and transparent governance, especially those of the OECD. A new model of economic growth, the Third Modernization of Kazakhstan, outlines the path for our country to achieve those ambitious goals.

In 2015, we adopted the 100 Concrete Steps Plan of the Nation to Implement Five Institutional Reforms. The reforms are answers to the challenges of our time. Through these reforms, Kazakhstan has been able to insulate itself against current issues facing the country, such as the drop in oil prices and geopolitical tensions affecting the nation. To date, sixty steps out of the one hundred have been completed. Full implementation of these reforms will set Kazakhstan firmly on its path towards joining the 30 most developed countries in the world.



**In past years, the country's foreign policy has proven effective in balancing international interests as Kazakhstan continues to forge its path into international and regional organisations. What have been the most significant foreign policy successes during your tenure and how do you see Kazakhstan's role on the global stage developing over the coming years?**

Kazakhstan's diplomacy has created a robust system of friendly relations with all countries of the world and international organisations based on the principles of equality, cooperation and pragmatism. Guided by these principles we have been able to achieve some major tangible foreign policy results.

First and foremost, they include creation of favourable external conditions for substantial political, economic and social reforms within the country. The Foreign Ministry has doubled its efforts to link economic diplomacy tools with the national economy's needs. The Ministry and its foreign missions continue thorough work on attracting investment and technologies into priority sectors of the economy, promoting the interests of Kazakh businesses and ensuring access to foreign markets for our products.

The EXPO 2017 international exhibition in Astana was one of our major accomplishments that was in line with Kazakhstan's efforts to promote the implementation of the UN Sustainable Development Goals, the Paris Agreements and the principles of green economy.

Second, thanks to President Nazarbayev's well-deserved reputation as an honest broker and a mediator in international diplomacy, Astana was selected as a suitable platform to host Syrian talks. The Astana Process over the past year has demonstrated that Kazakhstan can play an important role as a mediator and a contributor to the settlement of crises and provide a platform for successful negotiations.

Third, Kazakhstan was elected as a non-permanent member of the United Nations Security Council for 2017-2018, the first Central Asian country to assume this high post. We see this as an opportunity to contribute to global peace, development and security and reaffirm our adherence to voicing regional views so that Central Asia's concerns have fair representation in international dialogue.

According to the views of observers, the first ever Presidency of Kazakhstan at the UNSC in January 2018 was successful and fruitful.

Last year we also hosted the historic summit of the Shanghai Cooperation Organisa-



KAIRAT ABDRAKHMANOV, Minister of Foreign Affairs of Kazakhstan

tion that accepted India and Pakistan as full members. The organisation now unites more than 44 percent of the world's population and is thus one of the biggest in the world.

The first Summit of the Organisation of Islamic Cooperation on Science and Technology was also held here in Astana in 2017 on the initiative of President Nazarbayev. Its main purpose was encouraging the exchange of knowledge and experience in order to help the Ummah (Muslim society) advance in terms of science, technology and education.

Integration processes are being strengthened within the framework of the Eurasian Economic Union.

We note with satisfaction the significant breakthrough in the intraregional partnership of the countries of Central Asia. The first working (consultative) meeting of the heads of state of Central Asia was held in Astana in 2018.

**The United States was the first country to establish diplomatic relations with Kazakhstan after its independence 26 years ago. This relationship has grown in large part because American and Kazakh officials and companies have continued to work well together in a cooperative partnership. Can you set out a short overview of the US-Kazakhstan bilateral relations?**

Yes, indeed, the United States was one of the first countries to recognise the state sovereignty of the Republic of Kazakhstan and was the first country to establish its Embassy here.

Over the past 26 years, relations between the two countries have transformed from

cooperation on non-proliferation of weapons of mass destruction to an enhanced strategic partnership in a broad spectrum of areas that covers cooperation in bilateral and regional formats, as well as global security issues.

These relations have continued to develop steadily in recent years due to the regular political dialogue between the leaders of the two countries. Contacts are regularly maintained between the governments of our nations – over the past year alone more than 45 bilateral meetings were held at various levels.

On January 15th-18th, 2018, at the invitation of President Donald Trump, President Nazarbayev paid an historic official visit to the US, following which the leaders of the two countries adopted the Joint Statement "Kazakhstan and the United States: An Enhanced Strategic Partnership for the 21st Century."

An important trajectory of the regional cooperation agenda has been the interaction of Central Asian countries and the USA in the C5+1 group. All sides have expressed support for the efforts of the five Central Asian countries to strengthen regional cooperation. They also discussed this process through the prism of expanding trade and economic ties between Central Asia and Afghanistan.

During his visit to the US, President Nazarbayev also met with American business representatives. The round-table event held in the US Chamber of Commerce resulted in 24 contracts worth approximately US \$7 billion, while the volume of investment agreements amounted to US \$4.3 billion.



# INVEST KAZAKHSTAN

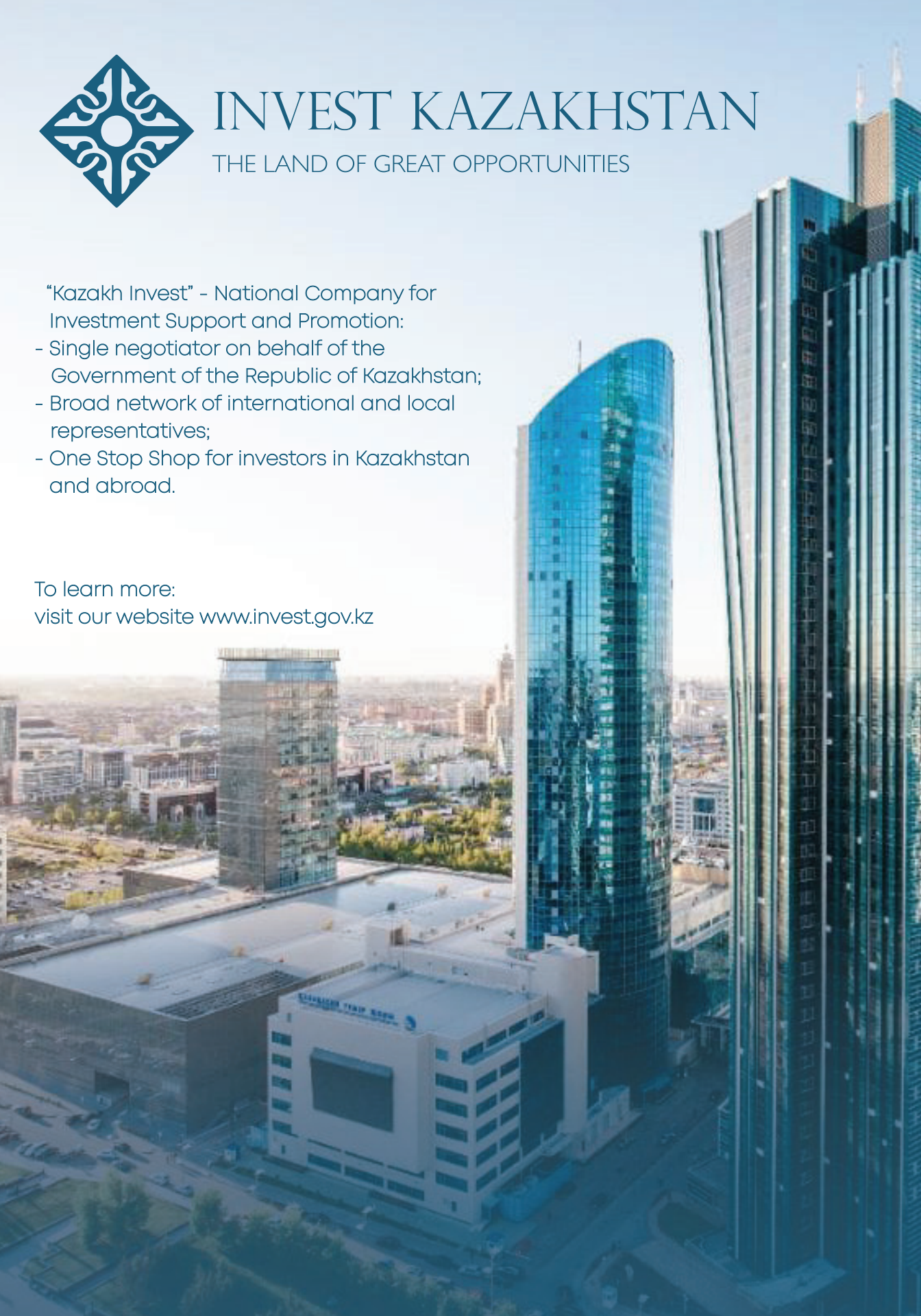
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# Three Cheers for Trump's Foreign Policy

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## What the Establishment Misses

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*Randall Schweller*

**D**onald Trump's victory in the 2016 U.S. presidential election heralded nothing less than certain catastrophe. At least, that was and remains the firm belief of "the Blob"—what Ben Rhodes, a foreign policy adviser in the Obama administration, called those from both parties in the mainstream media and the foreign policy establishment who, driven by habitual ideas and no small amount of piety and false wisdom, worry about the decline of the U.S.-led order. "We are very probably looking at a global recession, with no end in sight," the *New York Times* columnist Paul Krugman forecast after Trump's victory. Others prophesied that Trump would resign by the end of his first year (Tony Schwartz, the co-author of *Trump: The Art of the Deal*), that he would be holed up in the Ecuadorian embassy in six months (the liberal commentator John Aravosis), or that the United States might be headed down the same path that Germany took from the Weimar Republic to the Third Reich. That last warning came from former U.S. President Barack Obama last December at the Economic Club of Chicago, where he invoked the specter of Nazi Germany. "We have to tend to this garden of democracy or else things could fall apart quickly," he said. "Sixty million people died, so you've got to pay attention—and vote."

So far, the world has not come to an end, far from it. A year into Trump's first term, the Islamic State, or ISIS—a fascist organization, by the way—had been virtually defeated in Syria and eliminated from all its havens in Iraq, thanks to the Trump administration's decision to equip the largely Kurdish militia fighting ISIS in Syria and give U.S.

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ground commanders greater latitude to direct operations. All the while, Trump has continued the Obama doctrine of avoiding large-scale conventional wars in the Middle East and has succeeded where his predecessor failed in enforcing a real redline against Bashar al-Assad's use of nerve gas in Syria by launching targeted air strikes in response. In North Korea, Trump's strategy of "maximum pressure" has cut the country's international payments by half, forcing Kim Jong Un to realize that his only choice is to negotiate.

On the domestic front, the unemployment rate fell to 3.8 percent in May, a level not seen since the heady days of the dot-com boom—with unemployment at an all-time low among African Americans; at or near multidecade lows among Hispanics, teenagers, and those with less than a high school education; and at a 65-year low among women in the labor force. Meanwhile, on Trump's watch, the stock market and consumer confidence have hit all-time highs, the number of mortgage applications for new homes has reached a seven-year high, and gas prices have fallen to a 12-year low. Finally, with Trump pledging to bring to an end the era in which "our politicians seem more interested in defending the borders of foreign countries than their own," illegal immigration was reduced by 38 percent from November 2016 to November 2017, and in April 2017, the U.S. Border Patrol recorded 15,766 apprehensions at the southwestern border—the lowest in at least 17 years.

As his critics charge, Trump does reject many of the core tenets of the liberal international order, the sprawling and multifaceted system that the United States and its allies built and have supported for seven decades. Questioning the very fabric of international cooperation, he has assaulted the world trading system, reduced funding for the UN, denounced NATO, threatened to end multilateral trade agreements, called for Russia's readmission to the G-7, and scoffed at attempts to address global challenges such as climate change. But despite what the crowd of globalists at Davos might say, these policies should be welcomed, not feared. Trump's transactional approach to foreign relations marks a United States less interested in managing its long-term relationships than in making gains on short-term deals. Trump has sent the message that the United States will now look after its own interests, narrowly defined, not the interests of the so-called global community, even at the expense of long-standing allies.

This worldview is fundamentally realist in nature. On the campaign trail and in office, Trump has argued that the United States needs its



*He didn't start the fire: Trump at a NATO summit in Brussels, Belgium, July 2018*

allies to share responsibility for their own defense. He has also called for better trade deals to level a playing field tilted against American businesses and workers and to protect domestic manufacturing industries from currency manipulation. He is an economic nationalist at heart. He believes that political factors should determine economic relations, that globalization does not foster harmony among states, and that economic interdependence increases national vulnerability. He has also argued that the state should intervene when the interests of domestic actors diverge from its own—for example, when he called for a boycott against Apple until the company helped the FBI break into the iPhone of one of the terrorists who carried out the 2015 attack in San Bernardino, California.

This realist worldview is not only legitimate but also resonates with American voters, who rightly recognize that the United States is no longer inhabiting the unipolar world it did since the end of the Cold War; instead, it is living in a more multipolar one, with greater competition. Trump is merely shedding shibboleths and seeing international politics for what it is and has always been: a highly competitive realm populated by self-interested states concerned with their own security and economic welfare. Trump's "America first" agenda is radical only in the sense that it seeks to promote the interests of the United States above all.



## NO MORE UNCLE SUGAR

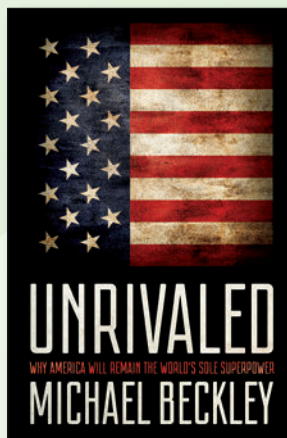
A key part of Trump's agenda is to rebalance the United States' trade accounts with the rest of the world. The goal is to correct systematic and excessive trade imbalances with wealthy East Asia and Europe, while protecting industries vital to U.S. national security. The balance of trade is the difference between the value of a country's exports and the value of its imports. When a country imports more than it exports, it is running a trade deficit, which means that it must rely on foreign direct investment or borrow money to make up the difference. In the long run, persistent trade deficits lower the total demand for goods and services in a country, reducing growth and employment. In 2017, the U.S. trade deficit in goods and services grew by 12 percent, to \$566 billion, the biggest gap since 2008. Given this imbalance in trade, it is odd that Trump is the one being branded by the United States' supposed friends and allies as a protectionist, hell-bent on destroying the liberal economic order. To these ingrates, the Trump administration has sent a straightforward message: you will no longer be allowed to play the United States for a sucker. In other words, no more Uncle Sugar.

The Blob worries that the policies enacted by the Trump administration signal a major reduction in the United States' willingness to promote global trade and investment, but Trump's threats of tariffs and other protectionist measures are better seen as bargaining chips designed to open other countries' markets. They also represent attempts to elevate trade diplomacy to greater strategic prominence, using sanctions and other forms of economic statecraft to pressure states to do things that Washington wants but that they otherwise wouldn't do. After all, the United States remains the world's leading market for exports, which gives the country massive bargaining leverage in trade negotiations. But it has traditionally failed to exploit that leverage, since any attempt to do so draws jeers from defenders of the liberal international order. Trump has chosen a different path.

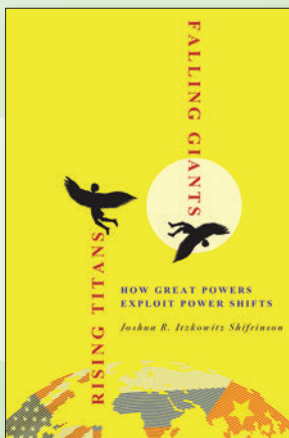
With China, the United States' only potential peer competitor, Trump has used trade diplomacy to press Beijing to make a number of valuable concessions. The U.S. trade deficit with China now stands at \$375 billion; during talks in May, news outlets reported that Chinese officials had committed to reducing it by \$200 billion by 2020. The Trump administration continues to press the Chinese government to end what Washington considers unfair subsidies and

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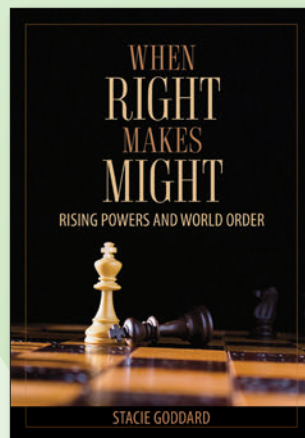
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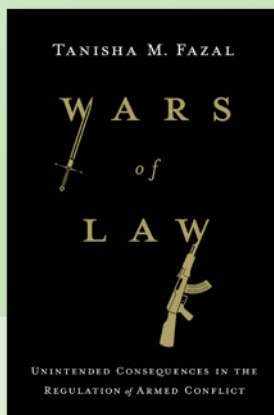
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*Trump's words have a distinctly realist ring to them.*

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other aid to Chinese firms. For years, Chinese state enterprises have been buying up their U.S. competitors in high-tech sectors, while

U.S. firms are prohibited from making equivalent purchases in China, but now, the White House is wisely looking to subject China to similar investment hurdles. As *The New York Times* reported in March, it “is preparing to

limit Chinese investment in sensitive American technology, ranging from microchips to 5G wireless technology.”

In a step toward correcting the imbalance in U.S.-Chinese economic relations, the Trump administration has imposed antidumping duties on large Chinese washing machines and solar energy equipment, and it has levied tariffs on steel and aluminum for reasons of national security. In April, the administration threatened to slap stiff tariffs on some \$50 billion in Chinese imports across 1,300 categories of products, unveiling the most aggressive challenge in decades to Beijing's trade practices. China responded by offering to purchase some \$70 billion in U.S. exports if the Trump administration called off the threatened tariffs. And in May, China reduced its tariff on foreign automobiles from 25 percent to 15 percent. (The United States' stands at 2.5 percent.)

Trump has made clear that even the United States' neighbors and closest allies are not exempt from U.S. tariffs. In late May, he made good on a key campaign promise when he moved forward with a 25 percent tariff on steel imports and a ten percent tariff on aluminum imports from Canada, Mexico, and the EU. As justification, the administration cited national security, invoking the Commerce Department's conclusion that imported metal degrades the American industrial base. Canada announced retaliatory steps, and it and every other member of the G-7 besides the United States issued a joint statement conveying their “unanimous concern and disappointment” with the U.S. decision.

Global outrage aside, Trump's justification for the tariffs is little more than Realism 101. As the political scientist Jonathan Kirshner has observed, in an anarchic world, “states will strive for national self-sufficiency, in order to assure the ability to produce the means to fight, as well as to reduce vulnerabilities that would result from the disruption of peacetime patterns of international economic flows.” In-

deed, in his signal foreign policy speech during the campaign, Trump himself articulated just such a view: “No country has ever prospered that failed to put its own interests first. Both our friends and our enemies put their countries above ours, and we, while being fair to them, must start doing the same. We will no longer surrender this country or its people to the false song of globalism. The nation-state remains the true foundation for happiness and harmony.” Trump’s words have a distinctly realist ring to them.

### **NO MORE MULTILATERALISM**

Another plank of Trump’s foreign policy platform is that the United States should work with its international partners on a bilateral basis whenever possible, rather than through multilateral arrangements and commitments. Along these lines, the administration has withdrawn from the Iran nuclear deal, the Trans-Pacific Partnership, and the Paris agreement on climate change. At the UN, it has proposed reducing U.S. contributions to the organization by 40 percent, forced the General Assembly to cut \$600 million from the peacekeeping budget, announced its intention to withdraw from UNESCO and the UN Human Rights Council, and abandoned talks on migration. Trump has also threatened to end the North American Free Trade Agreement and instead strike separate bilateral agreements with Canada and Mexico, which he contends are easier to enforce than multilateral arrangements.

Multilateralism, in Trump’s view, “reduces our ability to control our own affairs.” Even defenders of the liberal international order should concede that he is right, since this is precisely what a rules-based order is designed to achieve: to place limits on the returns to, and the capricious exercise of, outsize power in the conduct of international relations. In fact, those who champion such an order seek nothing less than a revolutionary transformation of world politics, hoping to replace the anarchic international system driven by brute force with one governed by the rule of law. For these proponents, the trick has always been to convince weak and secondary states—that is, everyone but the United States—that institutional restraints and multilateral commitments will limit the hegemon’s freedom of action. For such an order to work, it must be autonomous, able to enforce its rules independent of the hegemon’s wishes. Otherwise, there is no reason for other countries to believe that the order will ever limit the hegemon’s power.

Well, the jig is up. Trump has given the lie to the notion that many of the institutions of the postwar order actually bind the United States, and he has walked away from them accordingly. The weakness of the order should come as no surprise: ever since the end of World War II, international institutions and norms have rested on U.S. power and so cannot be used to hold back the United States. To the extent that the United States has been restrained, it has been the result of self-restraint—a characteristic that few have accused Trump of exhibiting. The United States' leaders and foreign policy elites have been championing multilateralism, international institutions, and the rule of law as values in themselves, regardless of how they affected U.S. national interests.

### **NO MORE FREE-RIDING**

The final piece of Trump's foreign policy is his insistence that U.S. allies pay their fair share of the costs of their defense. NATO itself concedes that the United States accounts for 73 percent of the alliance's defense spending—a rather large amount for an organization with 29 member states and that is focused on European security. Nonetheless, commentators in this magazine and elsewhere have routinely derided Trump for mocking U.S. allies as free riders. So, they might have added, did Obama. "Free riders aggravate me," he complained in a 2016 interview with *The Atlantic*. His list of partners not pulling their weight included the United Kingdom, and he warned that the country would no longer be able to claim a "special relationship" with the United States unless it spent at least two percent of its GDP on defense.

For decades, U.S. presidents have complained about allies' free-riding, but when push came to shove, they failed to do much about the problem. During the Cold War, the United States and its allies confronted a shared Soviet threat, making it at least understandable that Washington would allow the problem to persist. Now that the dragon has been slain—many, many years ago—and at a time when the U.S. government is considering huge cuts in social spending to restore fiscal health, there is no justification whatsoever for the United States to continue subsidizing European countries' security. As the political scientist Barry Posen has put it in this magazine, "This is welfare for the rich." Trump's attacks on NATO seem to be getting results. Defense spending among the alliance's European members has hit its highest point since 2010.



According to the Blob, however, Trump is not merely trying to get allies to pay their fair share; he is actively plotting to destroy NATO. In a column in June, David Leonhardt of *The New York Times* wrote, "If a president of the United States were to sketch out a secret, detailed plan to break up the Atlantic alliance, that plan would bear a striking resemblance to Trump's behavior." What Leonhardt appears to have forgotten is that the greatest enemy of an alliance is victory. When the West won the Cold War, NATO lost its *raison d'être*. In an increasingly multipolar world, alliances are less fixed: today's friend may be tomorrow's enemy (or, at a minimum, competitor), and vice versa. Trump accepts this. He is operating according to the *realpolitik* principle that former U.S. Secretary of State Henry Kissinger once summarized: "America has no permanent friends or enemies, only interests."

Trump's realist instincts are on display most clearly in his approach to Russia. Just as every president before him, Trump has met with the leader of the Kremlin in search of cooperation on a range of security issues (in this case, particularly on Iran and Syria) and, at a most basic and existential level, to avoid war between the two nuclear superpowers. Those yelling the loudest that Russia is a mortal enemy of the United States and that Trump is Russian President Vladimir Putin's puppet are the very same people who woefully mismanaged U.S. foreign policy over the past quarter century.

The bottom line is that Trump is not the primary reason NATO's ties are fraying; the international structure is. Indeed, this was also true for his predecessor. Much of what annoyed the foreign policy elite about Obama's minimalist strategic goals—his talk of hitting "singles and doubles," for example—was structural in nature. During the Cold War, in the words of the political scientist G. John Ikenberry, "America needed allies and allies needed America," a codependence that "created incentives for cooperation in areas outside of national security." That changed with the end of the shared Soviet threat. The United States became less constrained in its foreign policy, but so did its allies. They have had less need for a superpower patron, and so Washington has less leverage over them than it once did.

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*Blinded by their distaste  
for Trump, elites have lost  
sight of the structural forces  
that propelled him to power.*

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In 1993, the realist international relations theorist Kenneth Waltz wisely observed, “The Soviet Union created NATO, and the demise of the Soviet threat ‘freed’ Europe, West as well as East. But freedom entails self-reliance.” Writing of European countries, Waltz concluded, “In the not-very-long run, they will have to learn to take care of themselves or suffer the consequences.” A quarter century later, the “not-very-long run” has finally arrived. Trump did not create that reality; he has merely recognized it.

### **IT’S THE STRUCTURE, STUPID**

To be fair, not all has gone well under the Trump administration. After denouncing nation building and calling the war in Afghanistan a “complete waste,” the president was persuaded by his top advisers to forgo a hasty withdrawal from the country, which they claimed would create a vacuum for ISIS and al Qaeda to fill, and to support instead a small infusion of U.S. troops to beat back a resurgent Taliban. “My original instinct was to pull out, and historically, I like following my instincts,” Trump said as he announced the new strategy. “But all my life, I’ve heard that decisions are much different when you sit behind the desk in the Oval Office.” He should have followed his gut instead of embracing the ludicrous notion that a few thousand U.S. troops would be able to accomplish what 100,000 previously could not: break the stalemate in the longest war in American history.

But what Trump recognizes is that the liberal international order is sick. This illness, as the columnist Martin Wolf has argued, is a function of, at the global level, “the declining relevance of the west as a security community after the end of the cold war, together with its diminishing economic weight, especially in relation to China.” At the domestic level, the problems stem from the feeling among many in rich countries that they have not benefited from the liberal world order. “It is generating, instead, the sense of lost opportunities, incomes and respect.” Many Americans rightly feel that globalization, by bringing cheap consumer goods into the country and outsourcing jobs to lower-paid workers overseas, has ruined U.S. manufacturing, increasing unemployment and depressing wages. No wonder Trump’s complaints about unfair trade deals resonated with so many voters, especially those in the industrial Midwest.

Blinded by their distaste for the man, foreign policy elites have lost sight of the larger international structural forces that propelled Trump

to power. To see these driving forces at work, one must return to the end of the Cold War. As the lone superpower, the United States remained deeply engaged with the world, but the purpose of this engagement had changed. During the Cold War, the goal was to contain the Soviet Union; the United States was acting out of defense and wished to maintain the status quo. But afterward, the United States embraced revisionism in the guise of liberalism. As the unchallenged hegemon, it endeavored to remold large swaths of the world to fit its image of international order. Washington not only aligned itself with democracy, human rights, and justice but also actively promoted these liberal values abroad. Doing so marked the end of Cold War pragmatism and the advent of a crusading style of U.S. foreign policy. In the dreams of U.S. foreign policy elites, all countries, including authoritarian great powers such as China and Russia, would now become supplicants in a U.S.-dominated world order.

Then came the Great Recession, which, coupled with the rise of China and a resurgent Russia, cast doubt on the United States' relative power. The result is that the unipolar era, if not already over, is beginning to wind down. Declining powers under conditions of low vulnerability tend to reduce their peripheral commitments and look inward (as the United Kingdom did after World War I, for example). It should come as no surprise, then, that so many Americans have finally begun to question their country's long-standing grand strategy of playing the world's policeman and voted for the candidate who vowed to put America first. With the American era nearing an end, Washington must pursue a new grand strategy to deal with the new situation. Trump's brand of realism offers just such a strategy. 🌐

# The Unconstrained Presidency

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## Checks and Balances Eroded Long Before Trump

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*James Goldgeier and Elizabeth N. Saunders*

**I**n the age of Donald Trump, it often feels as though one individual has the power to chart the United States' course in the world all by himself. Since taking office as U.S. president, Trump has made a series of unilateral decisions with enormous consequences. He walked away from the Trans-Pacific Partnership, the Paris agreement on climate change, and the Iran nuclear deal. He imposed tariffs on Canada, China, Mexico, and the European Union. In June, he single-handedly upended the G-7 summit by insulting Canadian Prime Minister Justin Trudeau and withdrawing the United States from the group's joint communiqué. In July, his European travels produced more diplomatic fireworks, with a NATO summit in Brussels that raised questions about his commitment to the organization—before his deferential press conference with Russian President Vladimir Putin.

Each choice has brought howls of outrage—but little real pushback. Congress, for example, has proved unable to block the president from starting a trade war with China and with U.S. allies. For all of Trump's talk of a shadowy “deep state” bent on undermining his every move, the U.S. government's vast bureaucracy has watched as the president has dragged his feet on a plan to deter Russian election interference. Even the United States' closest allies have been unable to talk Trump out of damaging and potentially withdrawing from institutions of the

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liberal international order that the country has led for decades. How can a political system vaunted for its checks and balances allow one person to act so freely?

In reality, the problem goes well beyond Trump, and even beyond the well-documented trend of increasing presidential power. Constraints on the president—not just from Congress but also from the bureaucracy, allies, and international institutions—have been eroding for decades. Constraints are like muscles: once atrophied, they require bulking up before the competitor can get back in the game. Trump did not create the freedom of action he is now routinely displaying. He has merely revealed just how difficult it is to prevent it.

In Congress, the combination of declining foreign policy expertise among members and increasing political polarization has reduced the ability of legislators to supervise the executive branch even if they had the appetite to do so. The bureaucracy, meanwhile, has lost its incentive to cultivate and wield expertise as decision-making has become centralized in the White House and congressional action and oversight on foreign policy have declined. And U.S. allies, for their part, have become less able to check the president's foreign policies as the alliances have become ensnared in U.S. partisan politics. Similarly, the post-Cold War era has frequently seen presidents circumvent international institutions.

Going forward, any attempts to stem the growth of presidential power will have to confront not just the damage done by Trump but also the deeper problem that damage has exposed: that the bodies charged with constraining presidential power have been steadily losing both their willingness and their capacity to rein in presidents. Many have written eloquently, particularly since 9/11, about the need for checks on presidential power. But the reality is that Congress is in no shape to reclaim its role in foreign policy—and neither are the other traditional sources of constraint on U.S. presidents. It may take a major shock, such as the rise of China, to reboot the system.

## **LEGISLATORS GONE AWOL**

The Constitution grants Congress the ability to constrain the president on issues such as trade and the use of force. Although formal votes on presidential foreign policy are rare, the legislative branch can act as a check on the president in several other, more informal ways. Senators and representatives can hold hearings that generate debate and expose decisions to public scrutiny. They can also force the president to antic-



ipate congressional reactions to policy, leading him to check himself before Congress checks him—an important, if often invisible, form of oversight. For example, he might shape the details of a controversial international agreement to make sure members of Congress will not balk.

But Congress' oversight of U.S. foreign policy has declined markedly since the early Cold War, and especially since the mid-1990s. As the political scientist Linda Fowler has put it, "Something is amiss in the Senate and its national security committees." The two Senate committees tasked with oversight of foreign policy and national security—the Foreign Relations Committee and the Armed Services Committee—have held substantially fewer hearings (both public and private) over time, resulting in far less supervision of major foreign policy endeavors, such as the wars in Afghanistan and Iraq, than was the case for Cold War-era military interventions.

Why this decrease? The rise of partisanship is one important reason. Although foreign policy has never been fully isolated from politics, political polarization began to rise in the 1970s, and it increased sharply in the 1990s. Today, members of Congress reflexively support their own party. In periods of unified government, this means extreme deference to the president. In periods of divided government, it means congressional gridlock. Neither scenario yields much in terms of congressional oversight.

Polarization also gives presidents reason to simply ignore Congress when making foreign policy. As the political scientist Kenneth Schultz has argued, with members less willing to cross the aisle, it is "more difficult to get bipartisan support for ambitious or risky undertakings,





particularly the use of military force and the conclusion of treaties.” And so presidents opt for alternatives such as executive agreements over formal mechanisms such as ratified treaties. Consider the Iran nuclear deal. In 2015, President Barack Obama, concerned that he could not get a treaty with Iran past the Republican-controlled Congress, chose to make an executive agreement (which made it all too easy for Trump to tear up the deal later).

Another trend that has sapped Congress’ influence is the decline of congressional expertise on foreign policy and national security. Simply put, legislators used to know more about foreign policy than they do now. Greater expertise strengthened Congress’ formal and visible role,

since committees could engage in greater oversight of the executive branch. Expertise also reinforced Congress' invisible means of constraining presidential power. Presidents had to think about how a seasoned committee chair or member would assess a policy. During his initial escalation of the Vietnam War, for example, President Lyndon Johnson was careful to maintain the support of powerful committee chairs, such as Senator J. William Fulbright, who led the Senate Foreign Relations Committee from 1959 to 1974. Fulbright shepherded the Gulf of Tonkin Resolution through the Senate in 1964, but two years later, his probative hearings helped shift public opinion against the war.

Congressional expertise also led to serious, bipartisan policies that could force the president's hand. A good example is the Cooperative

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*Legislators have become less and less interested in the details of foreign policy.*

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Threat Reduction Program, an initiative for safely securing and dismantling weapons of mass destruction in the former Soviet Union. Senator Sam Nunn, a Democrat from Georgia, and Senator Richard Lugar, a Republican

from Indiana—two defense stalwarts who had been deeply involved in arms control agreements during the Cold War—proposed it in 1991 as an amendment to the annual defense bill. The George H. W. Bush administration initially opposed the legislation because it diverted \$500 million previously authorized for other purposes, but Nunn and Lugar prevailed, backed up by 86 votes in the Senate. They were able to pass their bill because the existing polarization was still manageable and because both senators were respected experts on defense and foreign policy.

The program was a high-water mark of expertise-informed legislation. In the years since, legislators have become less and less interested in the details of foreign policy. In 1994, a small group of newly elected congressional Republicans even proudly declared that they did not own passports.

Several factors explain the decline in expertise. Changes in the way senators now divide up committee roles, by increasing the number of committees they sit on, have led to greater breadth at the expense of depth. The media, facing fragmentation and declining budgets, have paid less attention to the crucial committees, especially the Senate Foreign Relations Committee and the House Foreign Affairs





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Committee, thus diminishing their value as reputation burnishers on Capitol Hill. Increased turnover has led to less seniority, particularly on the Senate Foreign Relations Committee, reducing the number of specialists to whom other senators can look for leadership on complex issues. Add in polarization and gridlock, which, by reducing overall congressional activity, also reduces the incentives to develop specialties, and the result is a Congress with decidedly less expertise.

An inflection point in the long-term decline of congressional oversight came after 9/11, when Congress passed the Authorization for Use of Military Force, a measure intended to combat terrorism but that presidents ended up interpreting broadly. For nearly 17 years, the AUMF has served as the legal justification for expanding military operations across the Middle East, many of them only tenuously related to the original intent. But legislators have shown little appetite for seeking a new AUMF, which would constrain the president when it comes to the many counterterrorism missions the United States now conducts in places such as Somalia, Syria, and Yemen. That's because the status quo actually suits many members of Congress. It lets them avoid voting on military operations—always risky, since they can be held accountable for their decision on the campaign trail—and it allows them to fixate on the legality of the operation without having to take a position on its wisdom.

Obama's decision in August 2013 to seek congressional authorization for the use of force in Syria in response to the regime's use of chemical weapons may at first glance look like a sign of deference. But it actually exposed how weak legislators' war-making powers had become. Unable to gain backing even from the United Kingdom, Obama announced that he would seek congressional authorization before launching an attack. Apart from a few Republicans who insisted that the president could not strike Syria without legislative approval (something they would not insist on later when Trump carried out strikes in 2017), most members were visibly eager to avoid being drawn into the debate—thereby proving how much Congress had been sidelined. As Ben Rhodes, Obama's deputy national security adviser, confirmed in his memoir, the president sought a vote knowing he might lose, which would firmly demonstrate legislators' lack of support for greater U.S. military involvement in the Middle East. (As events played out, the issue became moot when, at Russia's prodding, Syria pledged to give up its chemical weapons.)



Congress is equally reluctant to stand up to the president on trade. Despite misgivings over Trump's protectionist measures, Democratic and Republican legislators have essentially given up on the issue. In June, Bob Corker, the Tennessee Republican who chairs the Senate Foreign Relations Committee, proposed a bill that would require the president to seek congressional approval for tariffs enacted in the name of national security. But he has not been able to gain sufficient support for the measure from fellow Republicans, who, with midterm elections looming, are reluctant to cross Trump.

There still are some dedicated foreign policy hands willing to fight to give the legislative branch a voice. In 2017, for example, Congress managed to impose additional sanctions on Russia against the president's wishes. But overall, Congress has relinquished its authority on foreign policy and trade to the executive branch—and would have trouble reclaiming it even if it wanted to.

### **THE BUREAUCRACY SIDELINED**

The United States' emergence as a global power a century ago required the development of a strong civil and foreign service to manage relations with other nations. Knowledgeable and experienced bureaucrats came to serve as ballast against impulsive changes. Naturally, presidents have found it frustrating that they cannot get the bureaucracy to do their bidding. President Harry Truman, for example, complained that the "striped pants boys" at the State Department were failing to implement his policies. But in recent decades, some of the same forces that have weakened Congress have also undermined the bureaucracy's ability to check presidential power.

Ever since Truman signed the National Security Act of 1947, which created the National Security Council, presidents have tried to sideline the career bureaucrats at the State Department in favor of a more politically attuned White House cadre on the NSC staff. Building on President John F. Kennedy's establishment of a more White House-centric foreign policy process, Henry Kissinger, as President Richard Nixon's national security adviser, cut the bureaucracy out of important initiatives, such as the opening to China and arms control talks with the Soviet Union. His counterpart during the Carter administration, Zbigniew Brzezinski, ensured that White House dominance over foreign policy continued, for example, by keeping the State Department out of negotiations in 1978 over the normalization of relations with China.

Although President Ronald Reagan reempowered the State Department for a brief period under the leadership of George Shultz—in part by shuffling through six national security advisers in his two terms—the pendulum swung back under President George H. W. Bush. His powerful secretary of state, James Baker, sidelined his own

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*Some future presidents may find themselves dangerously unfettered by allies.*

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bureaucracy and relied on a handful of political appointees to manage such policies as German reunification and the Israeli-Palestinian peace process. The following three administrations steadily expanded the NSC, whose pro-

fessional staff doubled in size with each presidency. From just 50 staffers under George H. W. Bush, it grew to 100 under Bill Clinton, 200 under President George W. Bush, and 400 under Obama. No longer was the NSC functioning merely as a coordinator of policy; it was also implementing it, largely at the expense of career officials in the State Department. Even officials at the Pentagon came to feel overpowered. Former Secretary of Defense Robert Gates complained of “White House micromanagement of military affairs.”

Presidents may find a more powerful NSC useful, but it weakens the bureaucracy’s ability to provide strong, independent expertise. Political insiders chosen by the president to run White House operations because of their loyalty may have little experience crafting policy. Clinton, for example, came into office after 12 years of Republican administrations; his relatively inexperienced White House team struggled mightily on policy regarding Bosnia, Haiti, and Somalia. But the more that policies are crafted and implemented by the White House, the less incentive bureaucrats have to use their expertise to fill the void. If bureaucrats aren’t given a hand in crafting and implementing policy, why bother?

Far from stopping presidents from steadily drawing the machinery of foreign policy closer to the Oval Office, Congress has played its own role in the erosion of the bureaucracy as a check. With the increasing importance of quick presidential action during the Cold War, Congress acquiesced in the growth of presidential power, not only over itself but also over the bureaucracy. As the political scientists Sean Gailmard and John Patty have argued, if Congress could not restrain the president, their next best option was “to ensure that the president’s policy choices [were] supported by trustworthy advice that the president [would] heed.” If the president was going to centralize

foreign policy and listen mainly to officials in the White House, Congress at least wanted the chief executive to make informed decisions. So it has done little to restrain the growth of the NSC staff.

There is, however, one part of the U.S. government bureaucracy that has seen growth rather than decline: the Pentagon. Especially since 9/11, U.S. foreign policy has been steadily militarized, and Congress has funded the Pentagon at higher and higher levels without increasing oversight concomitantly. The main victim is the State Department. In Africa, Latin America, and the Middle East, regional military commanders can eclipse U.S. ambassadors in bilateral relationships. The military does have an impressive ability to get things done quickly, but the risk is that policy will tilt too much toward using force to solve problems. As Secretary of Defense James Mattis has said, “If you don’t fund the State Department fully, then I need to buy more ammunition.”

Despite these trends, the State Department was able to maintain its deep reservoir of expertise for many years, which gave it some power to shape presidential decision-making. But under Trump’s first secretary of state, Rex Tillerson, the executive branch’s disdain for the State Department reached its apex. Positions at the undersecretary and assistant secretary levels were left vacant. In December 2017, Barbara Stephenson, a former ambassador and president of the American Foreign Service Association, reported that the U.S. Foreign Service officer corps had lost 60 percent of its career ambassadors since January of that year. And despite congressional outcry, Tillerson refused to spend funds that had already been allocated for countering Russian and terrorist propaganda, and he even supported further cuts to his own department’s budget (one thing Congress did not allow). Tillerson’s successor, Mike Pompeo, announced in May that he would lift the State Department’s hiring freeze and bring its “swagger” back, but as of July, it remained to be seen whether he would fulfill that promise.

## **NO ALLIES TO LEAN ON**

Amid the declining power of Congress and the bureaucracy at home, one important check on presidents’ foreign policies has been consultation with allies. Following World War II, the United States coordinated closely with its allies on major decisions, often acceding to their domestic needs. In part, such deference was driven by the necessity to maintain unity in the face of the Soviet threat. Presidents

understood that if the most powerful country in the world flexed its muscle without regard to the concerns of others, it would create a backlash. And so less powerful allies were largely able to act as a check on American power.

In the late 1940s, during negotiations around implementation of the Marshall Plan, Truman allowed the United Kingdom to maintain privileged trading access to its colonies and dominions for the sake of avoiding a rift in the transatlantic alliance. In the late 1970s, the United States reassured Western European allies through NATO's "dual-track" decision, whereby the United States would deploy long-range theater nuclear forces in Europe while pursuing arms control negotiations with the Soviets. And in the aftermath of Iraq's 1990 invasion of Kuwait, Baker went around the world meeting with every head of state or foreign minister whose country had a seat on the UN Security Council (as well as with those of many countries that ended up contributing troops to the eventual operation), while George H. W. Bush worked the phones to secure passage of a UN resolution authorizing the use of military force if Iraq did not leave Kuwait. As Baker later acknowledged, Bush's decision to stop short of capturing Baghdad as the U.S. military was routing Iraqi forces was partly due to concerns that doing so would break apart the international coalition.

But in the 1990s, the United States increasingly came to believe that as the lone superpower, it had both the ability and the duty to shape the world to its liking. By the end of the decade, U.S. allies felt tossed around, as exemplified by French Foreign Minister Hubert Védrine's bitter reference to the United States as a "hyperpower." The UN, too, came to constrain U.S. power less and less, in part thanks to the efforts of congressional Republicans who deeply opposed the institution.

In the run-up to the 1999 war in Kosovo, Clinton bypassed the UN altogether because he knew that China and Russia would veto a resolution, but he still led the U.S. military operation through NATO in order to enhance its legitimacy. The United States willingly ran all target options through a vetting process within the North Atlantic Council, NATO's political decision-making body, and the French, in particular, slowed down a number of American requests.

After George W. Bush came into office, he took unilateralism to new heights. But he did seek minimal allied cover for the invasion of Iraq, and he even attempted to secure a second UN resolution, in part to help British Prime Minister Tony Blair domestically. A first resolution



had been passed in late 2002 giving Saddam Hussein a final chance to comply with Iraq's disarmament agreements but not specifically authorizing war against Iraq. And when France and Russia said they would veto a second resolution, Bush declared that he was acting with a "coalition of the willing." Going it completely alone was a bridge too far. Still, the invasion is rightly seen as a clear example of the United States ignoring some of its closest allies. Part of the resulting fallout was the politicization of U.S. alliances, with American supporters of the war criticizing those countries that stayed out (as when a Republican legislator overseeing the House cafeteria renamed French fries "freedom fries").

Obama ran on a platform of repairing the United States' relationships, and as president, he brought allies and international institutions more squarely back into the conduct of U.S. foreign policy. But the damage had already been done. No longer were alliances basic commitments to be upheld regardless of who occupied the Oval Office; increasingly, they were objects of partisan debate. When Obama decided to intervene in Libya through NATO in 2011, with UN Security Council authorization, Republicans, instead of championing the inclusion of allies, criticized him for "leading from behind," as one of his advisers characterized the strategy. And later, when he negotiated the nuclear deal with Iran, the support of U.S. allies did little to bring Republicans on board, showing the declining effect of allies as a domestic consensus builder.

If alliances continue to be viewed in such partisan terms, as the political scientist Daniel Drezner has argued, "the stock of allies will rise or fall depending on the partisanship of who is in the White House." This would damage not only the visible, legitimizing role of alliances, whereby the public is more likely to support foreign policy initiatives that are backed by allies or multilateral institutions, but also their quiet, consultative function. During crises, allies can serve as both useful checks and valuable resources. But some future presidents may find themselves dangerously unfettered by allies. Others may want to turn to them, only to find that they are unwilling to pick up the phone.

## **THE FUTURE OF CHECKS AND BALANCES**

U.S. presidents have long had more leeway in foreign policy than in domestic policy, but their control has never been total. Yet since the

end of the Cold War, checks and balances that once limited presidential power in matters of foreign policy have been eroding. Trump's unconstrained exercise of executive power did not come out of nowhere: it was made possible by the culmination of long-term trends. As a president who seems distinctly uninterested in the views of others, Trump could hardly have asked for a more suitable system.

Many of the constraints on foreign policy are invisible. Presidents will anticipate pushback from Congress and restrain themselves accordingly. They will worry about generating enough international support and offer concessions to allies in closed-door meetings. The invisibility of these constraints makes them difficult to appreciate until they are needed. What Trump is exposing is that these constraints are already largely unavailable, and they cannot be reconstituted instantaneously.

Can anything be done? The end of the Cold War unleashed the power of the American presidency. It may take the rise of China as a peer competitor for the American people and their leaders to realize that in order to make better foreign policy, the United States needs the wisdom and restraint offered by a Congress and a bureaucracy that have real power and serious expertise, as well as allies and international institutions whose utility is valued. The rising threat that China poses to U.S. interests could lead to a revival of congressional expertise in foreign policy, support for strengthening the United States' diplomats, and a realization that allies and international institutions enhance U.S. power in managing the threat.

Short of that, Congress will likely continue to have little knowledge of or interest in foreign policy, the White House will still fail to take full advantage of the talent of the U.S. diplomatic corps, and presidents will go on ignoring the views of even close allies. This is now the unchained, unconstrained presidency. It didn't start with Trump, but it has exploded since he took office, and Americans will be living with its consequences for a long time to come. 🌐

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# Can Mexico Be Saved?

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## The Peril and Promise of López Obrador

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*Denise Dresser*

In 2012, Mexico's future looked promising. The election of a dashing young president, Enrique Peña Nieto, imbued the country with a new sense of energy and purpose. Back in power after a 12-year hiatus, the Institutional Revolutionary Party, or PRI, had promised to reinvent itself and shun the corrupt authoritarianism it had practiced during the seven decades it ruled Mexico. As the country seemed to reach a consensus on long-delayed structural reforms, the international press heralded "the Mexican moment." According to the cover of *Time* magazine, Peña Nieto was "saving Mexico" by opening up the energy sector to foreign investment, combating monopolies, changing archaic labor laws, and leaving nationalism and crony capitalism in the past.

Just six years later, however, a historic election swept the PRI from power and delivered a landslide victory to its nemesis, the antiestablishment leader Andrés Manuel López Obrador, and his party, the National Regeneration Movement (MORENA). The election was a sharp rebuke to Peña Nieto, his agenda, and the political and economic system that has been in place since the country transitioned to democracy in 2000. Despite the early promise of Peña Nieto's modernizing reforms, by 2018, eight in ten voters disapproved of the PRI. The election catalyzed popular anger over frustrated economic expectations, rampant corruption, and a homicide rate that has made Mexico one of the most violent countries in the Western Hemisphere.

But the vote was about more than merely punishing the PRI for its failings. López Obrador won because he was perceived as an authentic opposition leader: an insurgent politician who for years—including during two previous runs for the presidency—had railed against rapacious elites and a democratic transition gone awry. This time, however,

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his message in defense of “the people” resonated with wider segments of the Mexican electorate because the ills he diagnosed had become increasingly evident during the Peña Nieto administration.

López Obrador’s promise to shake up the status quo appealed to a restive population eager for regime change. What it will mean in practice, however, remains unclear. So far, the president-elect’s policy positions have been vague, and his team is unknown and untested. Addressing Mexico’s toxic mix of truncated democracy and crony capitalism will require substantive reform. Many citizens hope that López Obrador will make Mexico’s government and economy genuinely inclusive. Others fear that he will push the country backward by resurrecting dominant-party rule, increasing presidential power, and stoking nationalism. A polarized Mexico is now caught between two forces: anger at those who have governed so badly and fear of those who have just been elected.

## UNFULFILLED PROMISES

For decades, Mexico has been plagued by the same set of problems. From 1929 to 2000, single-party rule normalized corruption and stunted the development of Mexican institutions. Even now, the country’s economy produces profound inequality, with wealth concentrated in the hands of a few elites. Power operates through patronage and bribery. There are no adequate checks and balances to hold leaders to account. At the same time, the proliferation of drug-related crime has made violence routine.

Throughout the 1990s, political elites and party leaders focused on changing the rules of electoral competition in Mexico. These efforts culminated in Vicente Fox’s victory in the country’s 2000 presidential election. Fox, a member of the National Action Party (PAN), was the first opposition candidate to defeat the PRI. His victory ended single-party rule and marked the country’s official transition to electoral democracy.

Many believed that the PRI’s defeat would transform the prevailing political and economic system, but that did not prove to be the case. The vices associated with authoritarian rule persisted, including corruption and a lack of transparency and accountability. After Fox’s victory, the Mexican political system became a strange hybrid of authoritarianism and democracy: a system that promoted power sharing among party leaders but did little to guarantee the representation of ordinary citizens.





*AMLO aims high: López Obrador in Mexico City, July 2018*

From 2000 to 2012, the PAN's approach to governing closely resembled that of the party it had replaced. Patronage, vote buying, and corruption continued. As a result, citizens began to lose faith in the system altogether. According to a government survey from 2011, only four percent of the population had a favorable impression of political parties, and only ten percent believed that legislators governed on behalf of their constituents.

The democratic transition also failed to improve the country's security situation—in fact, before long it got worse. In 2006, President Felipe Calderón launched a “war on drugs,” deploying the Mexican military to fight powerful drug cartels and end drug-related violence. Instead of solving these problems, the policy, which is still in place, has turned Mexico into a country of graveyards, where mothers sift through dirt to find the remains of their children. In states where the military has conducted operations, the violence has actually increased, as cartels fight both government forces and one another over territory and move on to other illicit activities, such as extortion and kidnapping. Where the armed forces have replaced civilian police officers, ordinary crime has skyrocketed. The army is not trained to carry out police duties, and its incursions to fight the cartels have often produced an escalation in human rights violations.

In the last decade, Mexico has seen over 250,000 homicides and over 34,000 disappearances. More than 140 mayors and candidates for

office have been assassinated. And whole swaths of the country, including parts of the southern states of Guerrero, Michoacán, Morelos, and Tamaulipas, are now controlled by organized crime. Meanwhile, corruption and incompetence in the police forces, the courts, and the military have continued unabated.

## PEÑASTROIKA AND ITS DISCONTENTS

The deteriorating security situation and the PAN's failure to turn Mexico into a functioning democracy opened the door for a PRI comeback. Peña Nieto promised to help his struggling country join the ranks of the developed world. Immediately after assuming office in 2012, he forged the Pact for Mexico, a legislative accord among the country's main political parties that approved structural reforms on issues such as energy, labor, tax policy, telecommunications, and education.

The pact was initially celebrated as a political achievement. But although many of the reforms looked good on paper, their design and execution were deeply flawed. Peña Nieto's proposals conflicted with the vested interests of the same powers that had enabled his ascent to the presidency: the gerontocracy that controlled the labor unions, the monopolists that dominated the Mexican economy, the government-controlled media, and the powerful television duopoly that carefully manufactured his image. These forces were willing to support a light version of the proposed reforms, but they opposed more substantive changes that threatened to undercut their power. As a result, when the reforms reached Congress, where secondary legislation was designed to put them into effect, a legislative branch captured by special interests introduced new rules that diluted the possibility of a deeper impact. Peña Nieto's cronies defended their privileged positions with the tacit consent of a government that seemed more interested in marketing the approval of the reforms than in making them succeed.

Although not all the reforms failed—energy reform, for example, spurred foreign investment, and telecommunications reform lowered cell phone rates for consumers—their modest achievements pale in comparison to what was promised. Peña Nieto assured Mexicans that he would raise economic growth to six percent per year. Instead, growth has averaged only 1.3 percent per year. Meanwhile, inequality and wealth concentration are on the rise. According to the economist Gerardo Esquivel, ten percent of the Mexican population now controls more than 64 percent of the country's wealth. In 2002, the fortunes of

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Mexico's top 16 multimillionaires represented two percent of GDP; by 2014, that share had risen to nine percent. And the four richest people in Mexico all made their fortunes in sectors regulated or controlled by the government. Mexico now occupies seventh place in *The Economist's* index of crony capitalist countries, behind Russia, Malaysia, Ukraine, Singapore, Hong Kong, and the Philippines.

Mexican society is shaped like a pyramid: at the top are a handful of rent seekers, who manipulate the system to increase their personal wealth rather than invest in the economy or support innovation. At the base, meanwhile, are the 52 million Mexicans who live below the poverty line—21 million of whom survive on less than \$2 a day. According to a 2015 Oxfam report, only one in five Mexicans can be considered not poor or vulnerable to poverty. Successive reformist governments have failed to address the persistence of manipulated, highly concentrated markets. Growth is not possible when the state cannot ensure equality, regulate monopolies, or guarantee the transparency of economic transactions. Under Peña Nieto and his predecessors, pervasive cronyism crippled reformist efforts. Even good intentions delivered bad results.

### **IT'S THE CORRUPTION, STUPID**

In Mexico, paradoxically, more democracy has meant more corruption. The democratic transition did not stop the transfer of public wealth into private pockets; instead, it exacerbated and normalized that historical practice. Although democratic theory suggests that pluralism and political competition help combat corruption, Mexico demonstrates that in the absence of the rule of law, they actually incite further rapacity.

In Mexico's fledgling democracy, corruption has spread from the executive branch to the legislature, the judiciary, state and local governments, and even the media. As the legislative branch has gained more power over how money is spent, illegal appropriations for political use have multiplied. Decentralizing the federal budget to the states has opened up new opportunities for local leaders to do business with public funds. Instead of providing checks and balances against corruption, the federal and local legislatures have been the beneficiaries of government largess. The same is true of the 32 governors who receive large amounts of federal funds, which they use at their own discretion.



According to the nongovernmental organization México ¿Cómo Vamos? (Mexico, How Are We Doing?), corruption eats up nine percent of Mexico's GDP. It deters foreign investment, hampers economic growth, and limits the benefits of the North American Free Trade Agreement. The World Economic Forum says that corruption is the main factor that makes it hard to do business in Mexico.

During the Peña Nieto administration, however, corruption, which had long been considered normal, was increasingly denounced as it became more public and less constrained. According to the nongovernmental organization Mexicanos Contra la Corrupción y la Impunidad (Mexicans Against Corruption and Impunity), corruption has reached alarming levels in the last six years. Mexico is currently ranked 135 out of 180 countries on Transparency International's Corruption Perceptions Index; 90 percent of Mexican citizens believe that corruption is one of the country's primary problems. This

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*Under Peña Nieto and his predecessors, pervasive cronyism crippled reformist efforts.*

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concern is not unwarranted. During the Peña Nieto administration, the governor of Veracruz, Javier Duarte, allegedly embezzled millions of dollars of public funds, and more than a dozen other governors and former governors, many of whom Peña Nieto praised as examples of the new PRI, are now under investigation or hiding from the authorities. The president's own family has been implicated: in 2014, the so-called Casa Blanca scandal revealed that the president's wife had purchased a \$7 million house from a favored government contractor.

Peña Nieto attempted to avoid responsibility for these scandals by arguing that corruption was a cultural issue. Instead of reforming bad rules or designing better laws, he blamed amoral citizens. But corruption is the product of incentives, not habits; it's about what authorities sanction, not what society condones. And under Peña Nieto, Mexican authorities were willing to tolerate a staggering level of official wrongdoing. Consider, for example, the massive scandal involving the Brazilian construction company Odebrecht, which has admitted paying more than \$800 million in bribes to government officials in various countries. The case has shaken up politics throughout the region, bringing down presidents and prominent members of the political elite. But in Mexico, not a single politician or contractor has been indicted, owing to pressure on law enforcement authorities from high-level officials who fear that a real



investigation would be damaging to the PRI. What the Mexican media have dubbed “a pact of impunity” protects the political class regardless of party or ideology, undermining public trust in government institutions.

The starkest example of official impunity is the case of the 43 students from Ayotzinapa Rural Teachers’ College who disappeared in 2014 and whose fate remains unknown. After massive protests erupted over the incident, Peña Nieto’s government brought in a panel of independent international experts to review the case. But when the experts began to cast doubt on the government’s handling of the investigation, authorities made it impossible for them to carry out their work and ultimately forced them out of the country.

### **ENTER AMLO**

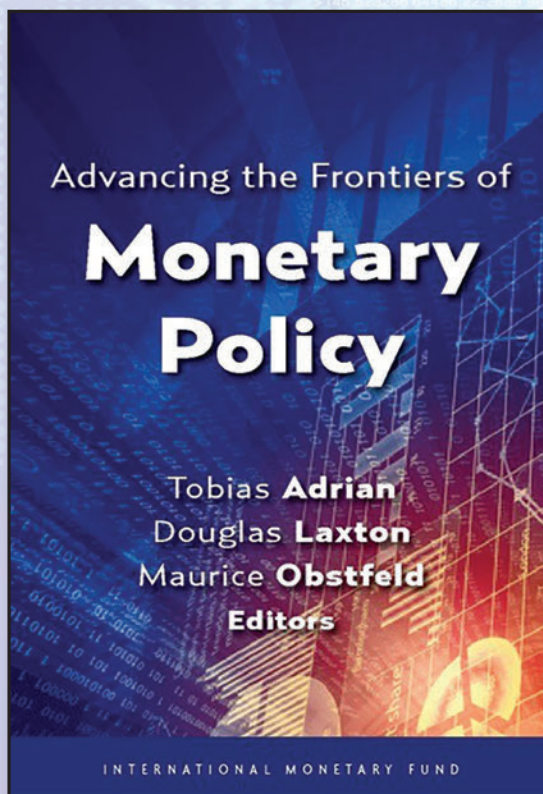
During the 2018 election, López Obrador became the candidate of choice for the majority of voters, who were frustrated with the current state of affairs. Decades of corruption and the failures of the Peña Nieto government allowed López Obrador to cast himself as the redeemer of a fundamentally flawed system.

The election results were a crushing defeat for the PRI, which did not win a single governorship out of the nine in contention or any of the 300 federal electoral districts. The party even lost in Atlacomulco, Peña Nieto’s hometown. The PRI will become the fifth-largest party in Congress after being dominant for 89 years.

For López Obrador, the results were a triumph. MORENA earned 53 percent of the vote, versus the PRI’s 16 percent, and it received 30 million votes, significantly more than the 15 million that Fox obtained in 2000. López Obrador’s party and its coalition allies will have an absolute majority in Congress, with over 300 seats out of 500, and a majority in the Senate. After 24 years of divided rule, López Obrador will enjoy a unified government, which will have the capacity to pass laws and approve the budget with little opposition.

López Obrador’s victory can be explained by both what happened during the race and what failed to happen over the last 30 years. There is no question that his opponents ran disastrous campaigns. Ricardo Anaya, the candidate of a center-right–center-left alliance that had been forged among the PAN, the Party of the Democratic Revolution, and the Citizens’ Movement, was viewed as smart but robotic—someone who connected more easily with Silicon Valley executives than with his disgruntled fellow citizens. And he was never credible as a

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transformative opposition leader, given the 12 years of PAN rule that came before. Meanwhile, the PRI candidate, José Antonio Meade, bore the brunt of Peña Nieto's unpopularity and the tarnished PRI brand.

López Obrador, on the other hand, assembled a team of moderates who tempered his strident tendencies and explained his policies in a way that made them seem more acceptable and less radical. MORENA transitioned from purism to pragmatism and created a broad, multiclass, and ideologically vague coalition that was capable of drawing in both conservative evangelicals and progressive civic activists. U.S. President Donald Trump's demonization of Mexico also helped López Obrador, whose brand of nationalism resonated among those who felt offended by Trump's tirades and Peña Nieto's mild response to them. López Obrador also won support by defending the oil industry in the face of energy reforms that many viewed as benefiting only foreign investors and their domestic allies.

But something more profound lies at the root of this political reconfiguration. López Obrador's message and personality have been the same since he became an opposition leader in 2006. But what seemed radical in 2006 feels necessary in 2018. What once provoked fear now engenders hope. The majority of the electorate supported López Obrador because his bleak diagnosis corresponded with the violence, corruption, and insecurity that ordinary Mexicans experience every day.

Members of Mexico's traditional ruling class did not understand that lambasting López Obrador as a populist would not prevent him from reaching the presidency; they should have instead addressed the grievances he exploited. But they did little to make the economic system more inclusive or the political system more representative. López Obrador's ascent is the predictable consequence of failed modernization. Greedy, antidemocratic elites should have seen it coming.

## THE ROAD AHEAD

Despite his landslide victory, López Obrador remains a polarizing figure. His critics view him as a divider and a class warrior; his supporters cherish him as an unwavering champion of democracy and social justice. For some, he is a wolf in sheep's clothing; for others, he represents a radical and long-desired break with the old regime.

López Obrador's victory will almost certainly alter the party system and the existing economic model. But the specific nature of that change is difficult to predict. When it comes to policy, López Obrador has been erratic and often contradictory. As mayor of Mexico City from 2000 to



2006, he was a pragmatic leader, and his team today mostly consists of moderates. Now, however, there will be pressure from his base to disavow many of the reforms implemented during the Peña Nieto administration. López Obrador has said that he will support the North American Free Trade agreement, but he has also hinted that protectionist measures might be necessary to invigorate the domestic market and promote food security. Ultimately, he is a social leader drawn to grand narratives, not to the specifics of public policy. It will be up to his inexperienced cabinet to maintain the delicate balance between the changes that Mexicans demand and the macroeconomic stability that investors expect.

In his victory speech, López Obrador espoused the language of reconciliation, declaring that he would seek a peaceful and orderly transition and that he would not “govern arbitrarily.” But there is no question that he will have a great deal of discretionary power. Along with the smaller parties in his electoral coalition, he may even have enough votes to modify the constitution.

Although the PRI and the PAN retained a small presence in the legislature and still control a number of governorships, the opposition has been decimated, and it could become even smaller as members flee to join MORENA. López Obrador’s party is on its way to becoming a new version of the old PRI: a hegemonic party that crowds out competition by uniting disparate political factions under a pragmatic umbrella. Patronage and corruption held the PRI together, and MORENA has not signaled that it will break with those practices; in fact, it is well positioned to emulate and embrace them. López Obrador has not broken ties with union leaders associated with government graft or acted against members of his own party accused of using public funds for personal gain.

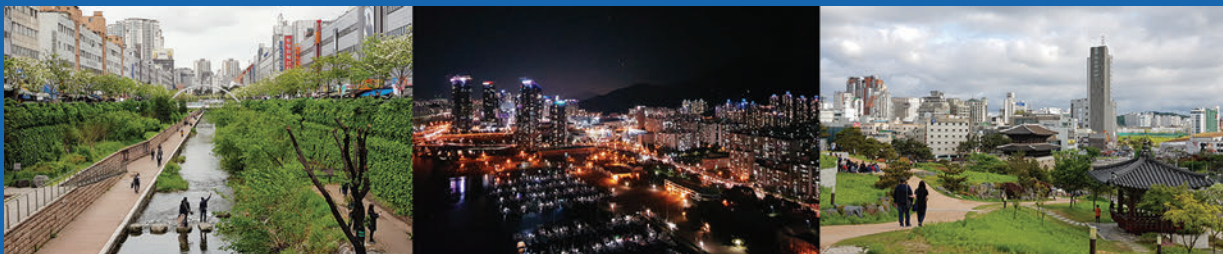
For those worried about Mexico’s dysfunctional democracy, there are some troubling signs. López Obrador has promised to return power to the people by submitting key policy issues to public referendums. This practice could push the country toward majoritarian extremism, in which democracy is seen as a constant confrontation between the popular will and those who oppose it, rather than as an inclusive system of negotiation and compromise. During the campaign, López Obrador portrayed institutions such as the Supreme Court and the National Institute for Transparency, Access to Information, and Personal Data Protection as obstacles, vilified the media outlets that criticized him, and suggested that his personal moral rectitude meant that he should be granted broader discretionary powers than his predecessors.

But much of what he has promised, including an end to corruption and violence, will require significant modifications to Mexico's institutions, which were created in an era of single-party rule. Unless the government promotes an agenda focused on transparency, accountability, institutional remodeling, and the protection of individual rights, Mexico will simply replace one unaccountable party with another. Some of López Obrador's critics have warned that he might turn Mexico into another Venezuela, where the authoritarian leader Nicolás Maduro has dismantled democratic institutions and bankrupted the state, pushing society to the brink of collapse. The real risk for Mexico, however, is not that it will become another Venezuela; it is that it will simply remain the same old Mexico.

To prevent this outcome, López Obrador would be well advised to take a new approach when he assumes office on December 1. The centerpiece of this agenda should be the establishment of an autonomous attorney general's office with the authority to investigate and prosecute corruption at the highest levels. In addition, he should push for the passage of legislation, currently stalled in Congress, that would make the national anticorruption system fully functional. He will also need to name an anticorruption czar and guarantee that the position has teeth. Finally, López Obrador should rethink the war on drugs by gradually returning the military to the barracks and, at a minimum, legalizing marijuana for medicinal and recreational use, which would reduce the profits enjoyed by the cartels.

Mexico will experience truly transformative change only if its new leaders focus on strengthening the rule of law. The biggest mistake López Obrador can make would be to delegitimize democracy by relying on referendums and centralizing power in his own office. Much of the positive change that Mexico has experienced since 2000 was the result of pressure from below, fomented by an increasingly vibrant and demanding civil society. The country's future does not depend on one man or one movement. Mexico needs a broad, pro-democracy coalition that addresses the root cause of its polarized politics: the absence of institutions that are capable of providing transparency, accountability, and systemic checks and balances. The Mexican people need to put pressure on López Obrador to make good on his bold promises. The Mexican novelist Juan Rulfo once wrote, "It had been so long since I lifted my face that I forgot about the sky." If Mexicans do not look upward and demand more, those who govern won't do so, either. 🌍





## GROWING FROM STRENGTH TO STRENGTH

**S**outh Korea has seen impressive economic growth in the last 65 years. Widely regarded as one of Asia's powerhouses, the country boasts of a technologically advanced industrial sector. This transition, however, did not happen overnight. South Korea realized early that economic growth would flourish further through trade. By building strong ties abroad, the country achieved the stability and prosperity that it still enjoys today.

"Korea lacks natural resources. In the 1950s, we were also recovering from a war. But we achieved economic success because of trade. We processed raw materials and technology from other countries, manufactured them, and then exported to overseas markets. That was how we survived," said Korea International Trade Association (KITA) CEO and former Minister of Trade, Industry, and Energy Kim Young-ju.

When growth picked up, Korea did not become complacent.

Busan-Jinhae Free Economic Zone (BJFEZ) Commissioner Jin Yang-hyun recalled: "In the 1990s, Korea focused on attracting foreign investment. The country's goal was to acquire technologies from foreign experts, which would later help in building on expertise across several advanced industries."

BJFEZ attracts investment into the southeast part of Korea, including the country's so-called Industrial Belt, and is



**Korea International Trade Association (KITA) CEO and former Minister of Trade, Industry, and Energy Kim Young-ju**

regarded as one of the best free economic zones (FEZs) in Asia. South Korea has developed seven other FEZs to spur growth, among them Saemangeum-Gunsan FEZ, overseen by the Saemangeum Development and Investment Agency.

"There are currently five multinationals that have invested here and we have ongoing infrastructure projects to attract more investors. Access to China and highly-skilled, world-class Korean workers are some key advantages of

Saemangeum," Administrator and Vice Minister Lee Cheol-woo said.

So, investors continue to look to South Korea, including American companies.

AMCHAM Korea CEO James Kim said: "U.S. companies are here because they know it's a good market. There's a lot of innovation here, so it's a great testing ground for companies. No one is stopping investments here."

Meanwhile, home-grown SMEs have become more aggressive abroad following the global success of giants such as Samsung, Hyundai, and LG.

"South Korea is a gateway for international business, having established free trade agreements with several countries," said Federation of Korean Industries Vice Chairman Kwon Tae-shin. The country currently has 15 FTAs with 52 countries.

"Korea is a big believer in free trade. Our FTAs encompass the United States, EU, ASEAN and China. The

land area and the GDP covered by our FTA network comprises 75 percent of the world. We value these relationships and will continue to build on them," Kwon said.

Apart from a supportive government, Korean conglomerates and SMEs also have access to several trade promotion associations, which provide domestic and overseas assistance for its members.

KITA, which has 70,000 members and 15 overseas branches, as well as AMCHAM Korea help companies by providing information on attractive foreign markets and connecting them with potential partners worldwide.

For its part, AMCHAM Korea is proud of its contribution to South Korea's economic growth.

"Our main priority is to help U.S. companies here in Korea. But of course, helping Korean companies invest in the U.S. also creates jobs for Americans. So, we are a big proponent of that," Kim said. ■

CMS Edu

# Transforming attitudes and methods

As South Korea embarks on the “Fourth Industrial Revolution,” businesses have had to keep pace with rapid advancements around them in order for them to thrive and stay relevant. As countries identify which industries to support amid this huge shift, a South Korean educator is calling on parents and society to change its approach to nurturing a new generation of leaders.

Inspired to enhance creative thinking in children, CEO **Lee Chung Koog** opened his first learning center in Seoul in 1997. Twenty-one years and more than 30,000 South Korean students later, CMS Edu now has 65 centers spread across South Korea. It has also launched its franchising business in China, Thailand, Vietnam and the United States.

That vision to grow has not waned. CMS Edu successfully launched its IPO in 2016 and seeks new partnerships with education institutions around the world.

“One of my main goals for our global business is to create a network wherein countries can fully grasp our unique methodology. More importantly though, we are looking for partners who won’t think of a partnership only in terms of sales and business, but who want to enforce a way of learning that will truly benefit the future’s leaders and decision makers,” said Lee.

## Industry 4.0: Just another change

For Lee, this shift in thinking caused by so-called Industry 4.0 is similar to past challenges posed by drastic changes in business and production. Today, leaders of governments and industry again face the daunting task of reconditioning their economies and companies to ensure their long-term sustainability.



**Students of CMS Edu are encouraged to have hands-on exercises as part of its learning experience.**

“Most people have a nonchalant attitude or simplistic concept of what the Fourth Industrial Revolution really is. That shouldn’t be the case when dealing with it,” Lee stressed.

Having visited many countries for his business, Lee has seen that the education sector worldwide has not adapted accordingly. Schools have not formulated a suitable method of teaching that prepares their students for Industry 4.0.

“Some universities and economies have focused on certain fields, like ICT and biotechnology, and other highly advanced fields. In Korea, it’s

all about those fields now,” Lee explained.

“But, the problem with that is educators only supply students with information and knowledge on those fields without recognizing that those fields may not address what we will need in facing future problems,” he added.

If that attitude continues, Lee fears that a new crisis may happen when another industrial revolution arises. So, CMS Education prepares its students for whatever changes may come in the future.

“We need to teach students how to think, how to use knowledge, and how to go

beyond the information being fed to them. We want our next leaders to be able to think better, or else nations around the world will find it impossible to catch up with constant changes everywhere,” he said.

## Convergence education explained

To help its students gain a competitive edge over their peers, CMS Edu adopts what it calls “fusion education,” which involves merging various fields of knowledge and allowing those students to come up with solutions to problems from multiple resources.

“Here in CMS Edu, we are

continuously developing new contents for our students, so that come the next paradigm shift, instead of scrambling to enhance their skill set, they can come up with their own jobs. They can rise above the current system and come up with the new one," Lee said.

The way the world works right now, education is just a subsection among different fields that run a country. But that's not how it's supposed to work," added Lee who believes that education must be an overarching field that allows all people to discuss the economy, technology, or any other fields substantially.

According to CMS Edu, if students understand the bigger picture and comprehend how the world works with convergent and fusion knowledge of diverse areas, it will be easier for them to identify which information is ultimately relevant. Then, they may use this to their advantage.

"In Korea, CMS Edu is the pioneer in convergence education. It will be our transformative tool in thriving and becoming more innovative in this world," he said.

### The age-old foundation of instruction

To train its students, CMS Edu does not follow trends in teaching style or method. Instead, it developed an enduring methodology that allows students to learn and adapt to whatever comes their way.

Lee explained that the institute's name adheres to its philosophy. CMS or Creative Maieutic School reflects its adherence to the Socratic method of teaching, which teaches students how to think independently, communicate effectively and reach a consensus.

Upon proposing a topic to discuss, teachers first let students make observations freely and start to develop curiosity about the topic. This helps them retain details better. Later on, to improve their grasp of concepts, students are put into groups so that they can deliberate the given



**CMS Edu CEO Lee Chung Koog**

issue. Teachers will also pose convergent questions and allow students to examine and exchange their views, which improves communication skills and builds confidence in their own thinking. At the end, students must reach a consensus that will be conveyed to the teacher.

"While students initially think alone, their arguments become stronger and more grounded with input from the rest of the group. They learn the value of independent thinking, as well as team work and harmony," Lee said.

"At the same time, through divergent questioning, the students find their own direction and start to consistently think for themselves," he added.

### Working together globally

Having established a firm foothold in Korea, CMS Edu has become more aggressive in its global activities. In April, it opened a new center in Vietnam. To continue with its rapid growth, CMS Edu is looking for new partners.

"Because education is a global need, we do not have a checklist or particular order of countries that we will target. To us, what is more important is to meet partners who are ready to accept this new method of teaching," Lee said.

"There are so many teaching trends right now that are part of larger schemes, but institutions nowadays mostly take out one program and use only that for the students. As

“Global companies can attack Korea in various ways by coming up with new industries, technologies, and strategies. But Korea will continue to excel if it knows how to prepare for anything by learning how to think, how to use knowledge and look for new ways to thrive.”

the whole process or method was not employed, the whole procedure becomes ineffective, and in the long run it won't bring forth the fruits aimed for in the beginning," he also said.

CMS Edu wants partners who share the same vision of creative and innovative education and raise a new generation of innovative and creative leaders.

"Education will always be relevant. It has always been important. It continues to play a key role in the development of humankind. As we transform to become a more advanced society, education will become even more essential," he said.

### Firm commitment to Koreans

While all sectors find common ground for collaboration, CMS Edu remains committed

to transforming Korea and its next generation of leaders.

"We are currently going through the 4th Industrial Revolution, and no matter how much we prepare for it concretely, it will be hard to predict what will happen beyond that – and the things we will need to survive will change," Lee points out.

"Korea is thriving currently but we don't know what the future holds. Global companies can attack Korea in various ways by coming up with new industries, technologies, and strategies. But Korea will continue to excel if it knows how to prepare for anything by learning how to think, how to use knowledge and look for new ways to thrive," Lee said.

"Educators have to always look forward and be one step ahead. And that's what we are here for," he added. ■

<http://cmsedu.co.kr>



**Young Korean children learn early on about teamwork and consensus.**



# Hanchang: early adapter, big winner

South Korea's reputation as a leading global power has rested primarily on its *chaebols*, or large industrial conglomerates, and its high-tech giants. However, its SMEs are emerging from the shadows and contributing more to Asia's fourth-largest economy.

**Hanchang**, based in Busan, has been able to adjust quickly to changes in the market, both at home and abroad. Today, the holding company is staking its future on finding new growth opportunities in the market.

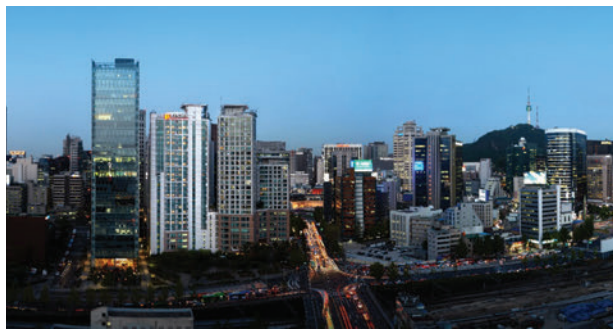
While growing on the back of its gaseous fire extinguisher system manufacturing, in the last three years Hanchang has restructured and created three new segments: construction in 2015, seafood in 2016, and just last year, entertainment. The

move involves some risk but also promises huge returns.

"We import live seafood from our company in Vladivostok, Russia. In Korea, there is a frenzy over the entertainment business. These businesses are risky but have great potential. If we successfully carry out our investment plan, Hanchang will grow even faster," said **CEO Choi Seung-hwan**.

Hanchang is now formulating a future business strategy for North Korea. Last August, it launched a cruise ferry line business with routes plying the East Sea, stopping at Russian and Japanese ports. The first such company with cruise level ships, Hanchang looks forward to dropping anchor at a North Korean port in the near future.

"The current positive atmo-



**Expanding beyond its original activity, Hanchang has ventured into three new businesses: property development, hotel management and aquatic products.**

sphere between North and South Korea is still building and economic relations are expected to be restored. If we could finally open a port in North Korea with our cruise ferry line, we won't just send passengers but also drop cargo. We are opening a new chapter with economic cooperation between the two Koreas. It will also help North Korea return to the international trade market. We are highly anticipating taking a crucial role in the process," he

explained.

Amid Hanchang's rapid expansion, Choi is also seeking partners: "Being listed on the Korea Stock Exchange for over 40 years, we are continually looking for investors. As sales grow fast, we need capital to finance our expansion."

Through expanding its territory into new business fields, Hanchang has been doubling their revenue. It may not take that long before the company joins the billion-dollar club. ■

[www.hanchang.co.kr/en](http://www.hanchang.co.kr/en)

## Development enters the next phase

With its transition from traditional to more advanced industries, South Korea wants to maintain its status as a leader in several industries - namely fintech, biotechnology and electronics. Industry associations, together with the government, are increasing support to SMEs in these sectors by providing them with assistance on research, funding and partnerships.

With 65 years of experience, the Korea Financial Investment Association can attest to the growth of finance and increasing role of IT in the industry. **KOFIA Chairman Kwon Yong-won** is optimistic about the further integration of the two.

"The Korean financial investment industry is tech-friendly because of our strong IT infrastructure. The introduction of non-face-



**KOFIA Chairman Kwon Yong-won**

to-face identity verification, robo-advisor services and blockchain-based authentication system (Chain ID) are major examples of advanced technologies that have allowed us to effectively respond to the Fourth Industrial Revolution," Kwon said.

Meanwhile, **Korea BIO**, which was launched in 2008

through the integration of the bio, venture capital, and genetic engineering associations, is helping in the development of 300 Korean bio companies. In particular, it is working with the Ministry of Industry to run a long-term program for the creation of bio-industry ecosystems. In 2016, together they raised a \$34.1 million fund to support Korea's initial bio-ventures. In addition, they regularly hold training and investment seminars for early venture companies.

**The Korea Electronics Association** is another organization at the forefront of innovation. KEA seeks investments for new technologies in electronics and works closely with universities to drive research in areas, such as AI and IOT.

"Conversations are getting important in terms of AI and IOT. With that, we are work-

ing closely with Korea's top players, such as Samsung and LG, as well as with SMEs and even vehicle and telecommunication companies to develop technologies for our industry," **KEA Vice-Chairman Nam In-seok** says.

For its part, the Korea Display Industry Association is working with MOTIE on a large R&D project to develop the display industry's future technology, particularly for the benefit of SMEs developing and testing needs.

"Tech development and advancement is crucial for the economy's survival and growth," **KDIA Vice-Chairman Seo Kwang-hyun** stresses.

"While home-grown giants such as Samsung and LG will continue to lead the global industry, we are here to make sure that a thriving Korea includes its smaller players," Seo adds. ■



# A growing legal field

Traditionally, the “Big Five” Korean law firms dominated the legal landscape. In 2012, after the government signed free trade agreements with the United States and the European Union, smaller, and even foreign, law firms found a place in the market, with the number of lawyers significantly increasing and international firms setting up shop.

But to survive, firms had to identify their strengths.

**KL Partners** chose to specialize in cross-border litigation and international arbitration. Coming from one of Korea’s “Big Five”, **Managing Partner Kim Beom-su** recalled: “We saw the need for experts in specific practice areas and thus focused only on international dispute resolution and corporate M&A.”

Seoul’s push to be the next hub for international dispute resolution among Northeast Asian countries puts the firm in a strong position.

For Kim, recent events in Korea proved its capabilities to be such: “Transparency is one of Korea’s main strengths. How Koreans react to wrongdoings only shows how Koreans value justice and how the country is capable of indicting and litigating even those who are in power.”

Coming from another “Big Five” firm, **Tek & Law founder Ted Koo** went on with opening his own law firm in 2012 and now sits at the forefront of Korean innovation.

“Tek is for technology.



**Kim & Chang is Korea’s largest and most specialized law firm with a premier global practice. Based in Seoul, it is a full service law firm with over 1,500 dedicated professionals, advising the world’s leading companies and financial institutions.**

We are highly experienced in data protection, biomed, and fintech,” Koo explained.

What sets Tek & Law apart is its focus on and expertise in blockchain and cryptocurrencies.

“Many are very interested in the new wave, but they aren’t quite sure what to expect in terms of government policies and regulations. We have found a niche area here in providing consulting services on this exciting but complex technology,” Koo said.

“We are the best in this area, and we have a strong potential to help foreign clients navigate their way through Korea,” he added.

Meanwhile, traditionally strong firms aren’t letting their guard down.

One of Korea’s original “Big Five,” **Bae, Kim & Lee (BKL)** has the largest geographical footprint among all Korean law firms, with

seven locations abroad. Its international bases cover Shanghai, Beijing, Hong Kong, Hanoi, Ho Chi Minh, Yangon and Dubai.

In its effort to assist companies through the Fourth Industrial Revolution, it also recently opened an office in Pangyo, Seongnam City, Korea’s so-called Silicon Valley.

Its strong foundation domestically helped

power its success in international business.

**Managing Partner Sungjin Kim** said: “Our offices abroad are all client-led. We moved with our clients and thus expected more outward work from Korea.”

At the same time, BKL has seen more inbound work coming in, which now accounts for 70 percent of its business. The

**CONTINUED ON NEXT PAGE**

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firm experienced 40 per cent growth between 2014 and 2017.

Korea's largest law firm, **Kim & Chang**, also sees the value in having offices abroad. Having set up its first overseas office in Hong Kong, the firm has recently opened its new office in Ho Chi Minh City, Vietnam.

"We find that an international office can be a great source of servicing existing clients more effectively while also enabling us to reach new and interesting work and clients," **Senior Partner Kye Sung Chung** said.

As Korean companies look to find new growth opportunities through overseas M&As and investments, it will also expand into emerging markets, particularly in Southeast Asia and Russia.

At the same time, given



**Bae, Kim & Lee (BKL) Managing Partner Sungjin Kim**

Korea's attractiveness as an investment destination, it expects an increase in inbound work too.

"Korea is the only country that has signed FTAs with the world's three largest economies – the U.S., the EU, and China, as well as the ASEAN countries. For many multinational companies, Korea is a strategic market to enter into

other key markets, such as China," Chung said.

Korean firms' dedication to client satisfaction and commitment to enhanced quality have allowed them to thrive and drive the economy along with them.

Named Managing Partner of the Year in 2017 by Asian Legal Business, **Kim Jae-hoon** heads **Lee & Ko**, another of Korea's "Big Five".

"When I entered the firm, we had four practice groups," Kim recalled. Rising through the ranks, he saw the firm evolve and adapt.

With over 35 practice groups, Lee & Ko has become a one-stop shop for its clients.

It is recognized by international legal publications as top for all of its major practice areas.

"Because we have several practice areas, we get



**Lee & Ko Managing Partner Kim Jae-hoon**

to form teams with a vast range of expertise, who can service our clients and guide them through different matters," he said.

Lee & Ko's story of growth mirrors that of Korea. "Our country went through a lot, and this allowed us as a nation to be equipped with the skills to face any challenge head on," he added. ■

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Kim & Chang is leading the way in Asia and around the world, with Korea's largest and most diverse team of legal professionals and industry experts.

## Tek & Law: the proactive advisers

As data traverse multiple borders each day, the need to protect important personal information from potential breaches and cybercrimes has become a fundamental need. With the emergence of blockchain technology, the world is negotiating a new field of business opportunities, while facing unfamiliar vulnerabilities.

Against this backdrop, a Seoul-based law firm, Tek & Law, has positioned itself as leading experts in this challenging landscape. Its main clients include blockchain, biomedical, and financial technology companies that have built businesses successfully thanks to the firm's specialized expertise in those fields.

"We also provide services to Chinese investors who want to invest in Korea and to Korean companies that are making inroads into the broader Asian market. As regulations that apply to these areas have yet to be concretely put into place and thus, are interpreted differently many times, a lot of risks are being generated. Tek & Law's significant competitive edge lies in our ability to cater to the specific needs of our clients," Managing Partner Ted Koo said.

With the surge of cryptocurrencies and initial coin offerings (ICOs) around the world, Tek & Law is again able to showcase its expertise in diagnosing government regulations and policies and provide invaluable advice to its clients. ■

<http://teknlaw.com>





# Korean law firms geared for “5G” economy

Amid fast-shifting economic and political winds in Korea, leading law firms like Bae, Kim & Lee LLC are taking dynamic strides to adapt. And these successful strategies are exemplified by BKL's 500 lawyers.

**Outward bound:** As Korean industry pivots to Southeast Asia and other regions for manufacturing and new markets, BKL opened offices in Dubai, Hong Kong and Vietnam in 2015 and in Myanmar in 2016, on top of long-established offices in Beijing and Shanghai.

**Rapid specialization:** BKL has been quick to master and gear up for newer, expanding areas of regulation in Korea, such as fintech, data privacy, anti-corruption, environmental and biotechnology.

When Kakao Bank launched

as Korea's first internet-only bank in 2017, BKL led the way with its experts in areas like data security and financial regulation. With business-specific teams ranging from e-commerce to renewable energy, BKL has seen its work swell by 30 percent since 2014.

**Targeting innovation:** Alert to looming changes, BKL had already formed a blockchain regulation team long before the recent cryptocurrency surge.

In 2018, the firm branched into the Pangyo “techno-valley” outside Seoul to serve the burgeoning cluster of high-tech leaders and startups. With each passing month, legal advisors in Korea face a “brave new world.” Firms like BKL are rising to the challenge. ■

[www.bkl.co.kr](http://www.bkl.co.kr)



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# Leading the way in legal services

Multinational corporations rely on legal advisors who offer precise advice framed both by global perspectives and deep local market knowledge. Since its founding in 1977, **Lee & Ko** has become the go-to law firm in Korea for clients seeking innovative and business-focused legal solutions to navigate the complex, cross-border issues.

Starting with four practice groups, Lee & Ko has since expanded its specialization to more than 35 practice areas. And over its 40-year history, the full-service law firm has orchestrated some of the groundbreaking resolutions to many transactions, disputes, and advisory engagements involving businesses in Korea and elsewhere in the world.

In recognition of the firm's

industry-leading capabilities and commitment to excellent service, Lee & Ko has consistently topped the rankings of various renowned law firm research and evaluation groups in all practice areas, such as corporate law, M&A, banking and finance, capital markets, dispute resolution, intellectual property, tax, antitrust and competition, and employment.

Market commentators attribute Lee & Ko's continued success in delivering client satisfaction to the comprehensive expertise of the firm's lawyers and the seamless collaboration among its specialized practice groups.

**Managing Partner Kim Jae-hoon** agrees: “Close coordination among our teams is crucial to delivering the best results for our clients.”



With its people focused on different, highly specialized fields, Lee & Ko leverages each of the teams' expertise and creates a task force for each of its cases. This allows the firm to approach matters from multiple angles and find the best solution.

With that, the firm has positioned itself as a one-stop service that can handle any deal, project or case in a manner that is both cost effective and practical.

While South Korea remains a major player in the international stage, Lee & Ko is able to assist any foreign corporation

that wants to enter the market, as well as South Korean company seeking to expand outside the country.

Currently, most of its inbound cases come from the United States, Europe and Japan, while Vietnam grabs the most interest for most out-bound South Korean companies.

“As Korea and the world transitions into more advanced technologies and industries, we are ready to further lead in our industry and help our clients, regardless of their needs,” Kim said. ■

[www.leeko.com](http://www.leeko.com)

# The next wave of innovators

While *chaebols* still play a dominant role in South Korea's economy, they now share the spotlight with small and medium-sized enterprises as important contributors to growth. An established innovator and early adaptor of new technology, South Korea sees these SMEs, along with the government and the academe, moving quickly as the country enters the so-called 4th Industrial Revolution.

A testament to creativity and innovation found widely in South Korea, **JENAX**, founded in Busan in 1991, recently launched J.Flex, a safety-tested, flexible lithium-powered rechargeable battery that can be bent in any direction.

J.Flex has found its way

into various applications in healthcare, medical, fashion, military and Internet of Things. Its versatility has produced innovative products in the wearables, printed electronics and medical devices sectors.

"This is a revolutionary battery in the industry," says **Strategic Manager EJ Shin**, who unveiled J.Flex in the CES trade show in Las Vegas in 2015 and in other trade shows in the United States and the EU.

"Our goal for the next two to three years is to further expand our presence in the EU and the U.S. We want to contribute to the next phase of technology in those markets," she adds.

Meanwhile, holding company **Hanchang** has built a stable business in



**JENAX Strategic Manager EJ Shin addresses participants of MEDICA, the world's largest healthcare trade show.**

manufacturing and hotel management since 1967, growing consistently because of its ability to adapt quickly to changing market conditions.

Over the past decade, the Busan-based company has diversified its activities to include property development, construction, fishing, entertainment and cruise line operation. And having entered the Russian and North Korean markets, the company is also seeking new investors and businesses to secure its long-term future.

Because of its decision to enter businesses with less competition, Hanchang has experienced much success so far. **CEO Choi Seung-hwang** stresses that while the strategy may be "filled with risk, it also is filled with great expectations."

"We want to enter the billion-dollar sales club," Choi says. "It took us many years to reach 100 million dollars in sales. We had to adapt and evolve many times."

While all these twists and turns are normal for business, Choi said: "Now we are making the right moves and taking the right steps towards the right direction to

get to our goal faster."

At the root of South Korea's transformation to being an industrial powerhouse are academic institutions such as **CMS Edu**, which hopes to help nurture South Korea's future leaders.

Since opening its first center in 1997, CMS Edu has expanded its services to include consultation and management of learning centers, publication of textbooks and teaching materials, organization of school and after-school programs, as well as online learning programs.

CMS Edu did away with the traditional mindset and encourages its students to think for themselves while adopting a wider perspective that looks further into the future.

"We produce students who are creative and capable of creating their own jobs," **CEO Lee Chung Koog** explains.

The group's learning centers have been franchised and adopted in China, Thailand and Vietnam. Now, it eyes further global expansion.

"We want partners who care about each student's future and who share the same philosophy," Lee says. ■

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# China's Future Is South Korea's Present

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## Why Liberalization Will Follow Stagnation

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*Hahm Chaibong*

**A**fter overseeing his country's rapid economic development for nearly a decade, the leader of an Asian nation abolishes term limits and assumes absolute power. As justification, he cites the need for national unity in an increasingly uncertain security environment. Western-style democracy, he argues, is neither necessary nor inevitable; the country needs a strong leader and a government with distinctive national characteristics. To counter the influx of Western values, he rehabilitates Confucianism, once shunned as the root of the country's backwardness. In the West, meanwhile, observers lament this political regression, wondering why economic growth has not led to political liberalization; some argue that the country represents a new model of development.

The country is not China under Xi Jinping but South Korea under Park Chung-hee. The year is not 2018 but 1972. At the time, few imagined that South Korea would be a functional democracy and a member in good standing of the liberal international order within a decade and a half. The heavy industrialization program that Park launched when he consolidated power not only helped South Korea overcome poverty to become a producer of high-value goods such as automobiles, ships, steel, and chemicals; the reforms that made South Korea's economic development possible also undermined Park's authoritarian government. The regime tried and failed to stem the tide of liberalization: in 1987, South Korea made a successful transition to democracy.

Today, China is having its own Park Chung-hee moment. Xi has resisted political reforms and tightened his grip on the state while

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**HAHM CHAIBONG** is President of the Asan Institute for Policy Studies, in Seoul, South Korea.

overseeing continued economic growth. However, as with South Korea, what may look like an exception to the rule that economic openness leads to political liberalization is more likely a case of delayed effect. Ultimately, the very steps required to achieve the economic growth that the Chinese Communist Party (CCP) needs will also invite the political liberalization that it fears and resists.

## **THE ROAD TO DEMOCRACY**

Despite a legacy of dire poverty, colonial exploitation, and fratricidal war, South Korea is now an industrial powerhouse. And despite centuries of monarchy, colonialism, and dictatorship, it is a liberal democracy. The country achieved this improbable success by hitching itself to the nascent liberal international order.

When Park took power in a 1961 military coup, one of his main objectives was to lift the country out of poverty. Under his leadership, South Korea transitioned to an export-led economic development strategy. In 1962, Park launched the Korea Trade-Investment Promotion Agency, or KOTRA. And from 1965 to 1977, he personally chaired the Export Promotion Meeting, a monthly gathering of top government officials and business representatives where they discussed export goals, addressed grievances, and settled conflicts of interest between the bureaucracy and industry.

In 1967, Seoul signed the General Agreement on Tariffs and Trade, the precursor to the World Trade Organization (WTO). The GATT provided the mechanism for negotiating multilateral trade agreements that reduced import tariffs and dramatically increased the competitiveness of South Korean products. South Korea also had to remove many of its own trade barriers, such as import quotas and export subsidies. Reducing import duties and opening up the domestic market forced South Korean companies to become more competitive. Becoming part of the international order thus helped South Korea upgrade its industrial structure. It also pushed the country to open up and reform society at large. And eventually, economic and social liberalization, reinforced by increasing demands for labor rights, human rights, and political participation, led to political liberalization and democracy.

But the road to democracy would take several detours. In 1969, midway through his second four-year term as president, Park pushed through a referendum to change the constitution and allow him a third consecutive term as president. The referendum was successful, and



*I did it my way: Park Chung-hee in South Korea, 1975*

in 1971, Park was reelected. That same year, however, the United States shocked South Korea by withdrawing one of the two divisions that formed the core of the U.S. forces stationed in South Korea. U.S. Vice President Spiro Agnew also announced that the United States would withdraw all its forces from the Korean Peninsula in five years. In the face of the looming U.S. military debacle in Vietnam and the prospect of a U.S. troop withdrawal from South Korea, Park declared a state of emergency and established the so-called Yushin Constitution, which turned the National Assembly into a rubber-stamp legislature that would reelect him to the presidency in perpetuity.

According to Park, Western-style democracy was unsuited to the challenges facing South Korea. To withstand the threat from North Korea and to bring about the eventual reunification of the Korean Peninsula on South Korean terms, the country needed a leader as powerful as the North Korean dictator Kim Il Sung. Elections, Park argued, were disorderly, disruptive, and wasteful, and party politics only deepened social fissures. South Korea needed a system that could reflect the aspirations, as well as the character, of the Korean people: what Park called “Korean-style democracy.”

Park also claimed that the country needed a leader with development experience to oversee the transition from an economy based on light industry to one based on heavy industry. By the end of the 1960s,

the cheap labor and land that had initially fueled South Korea's rapid economic development were beginning to dry up. And light industries, such as textiles, plywood, and shoe manufacturing (the mainstays of South Korean exports in the 1960s), were losing their competitive edge in the global market. As the architect of the earlier shift from an economy focused on import substitution to one focused on exports, Park argued that he was the best, and the only, person qualified to jump-start the transition to heavy industrialization.

To justify his power grab and lay the ideological foundations for Korean-style democracy, Park turned to Confucianism. He believed that Confucian teachings, which emphasize filial piety, loyalty, and respect for authority, could blunt the corrosive effect of Western values, which inevitably seeped into society as modernization progressed. The irony, lost on few Koreans, was that Park had once been one of Confucianism's harshest critics. Like many of his generation, Park believed

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*Economic liberalization generates pressures that even authoritarian leaders cannot fully repress.*

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that Confucianism was responsible for Korea's failed modernization and the resulting colonization by Japan in the first half of the twentieth century. With its complex metaphysical constructs, it trapped the political elite of the Joseon dynasty—which ruled the country from the fourteenth century until the Japanese

invasion of 1910—in arcane but highly contentious debates that sapped the nation's strength and unity. Military leaders such as Park held particular animus toward Confucianism because they believed its intellectually elitist culture caused South Korean rulers to discount the wisdom of military officials, thereby leaving the country vulnerable to repeated foreign invasions.

In his early years as president, Park focused on extolling the military exploits of great Korean generals of the past, erecting statues and shrines to commemorate them. Everything changed, however, with the rehabilitation of Confucianism under the Yushin Constitution. The works of Confucian scholars of the Joseon dynasty were suddenly rediscovered and translated into modern Korean, and the government refurbished Confucian academies that had long been neglected. This effort would reach its peak with the founding, in 1978, of the Academy of Korean Studies, whose mission was to preserve and propagate Korean traditions in the face of Western culture and modernity.





## AN INVESTMENT HOTSPOT

Vietnam's unprecedented performance has grabbed the attention of international investors. Last year, its GDP growth reached 6.8 percent and exports continue to rise. And with stable growth expected for the medium- and long-term, investor confidence in the Southeast Asian economy grows stronger.

Several multinationals have already established operations in Vietnam—a testament to the increasingly business-friendly environment. While Hanoi is the country's capital and Ho Chi Minh the business center, several businesses chose to be present in both cities to allow wider coverage and easy access to government and commercial centers.

The key to unlocking the potential of Vietnam rests upon the synergy between the public and private sector. In efforts to further develop the economy, government has been encouraging public-private partnerships and foreign direct investment by making changes to the country's legal and business framework. Private firms, as well as lobbying groups and associations, play a pivotal role in this transformation.

"If we want to keep this engine running, we need the private sector at the table," said American Chamber of Commerce Executive Director's John Rockhold, who is enthusiastic over the changes in Vietnam's business landscape and the government's involvement.

"As part of our Vietnam Business Forum, we meet with all the chambers and the government. We do this on a one-to-one basis to discuss things that affect businesses and identify where things are going well

and how we can expand on those ideas," he added.

Amid this collaborative atmosphere, foreign direct investment is breaking old records. Foreign investors now look to Vietnam to expand their operations, attracted not only by government-supported opportunities, but also by an emerging middle class of consumers and wage earners.

VILAF Chairperson Vo Ha Duyen points out that investor interest is growing given the number of mergers and acquisitions by foreign investors.

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"We have seen a lot of interest from investors for development, M&A and financing projects in infrastructure, energy, real estate development, as well as in privatization of State-owned companies in those sectors. We have also seen a growing number of significant M&A deals in the financial and fintech sectors," Duyen added.

But Duyen believes that businesses will only benefit if they adopt a long-term vi-

sion on Vietnam's future. "Investors who are genuinely interested in the country should start with an initial, smaller phase of a larger project to establish a footprint in the country, develop relationships and obtain the funding needed to move the project forward as a sign of sincerity to the government," she said.

"We will see more deals in real estate, pharmaceuticals, logistic infrastructure and

consumer sectors. The government has relaxed foreign ownership restrictions in most sectors and earlier this year has even further relaxed foreign ownership restrictions in additional commercial sectors," she also said.

Vietnam is building one of the world's fastest-growing economies. Its recent performance and growing confidence are making the country even more attractive to new investment. ■



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## **CHINA'S HESITATIONS**

The parallels with China are striking. Like South Korea, China has overcome imperialism, civil war, and national division to become an economic powerhouse. From the mid-nineteenth century, China was a poverty-stricken agrarian state, but beginning in the late 1970s, it implemented a series of economic reforms, decollectivizing agriculture, loosening the reins of state control, and opening the country to foreign investment. As a result, China became the manufacturing hub of the global economy, lifting hundreds of millions out of abject poverty in the process. As time went on, the country hitched itself to the liberal international order by joining its constituent institutions, including the International Monetary Fund and the World Bank in 1980, the Asian Development Bank in 1986, and the WTO in 2001.

Like South Korea under Park however, China is balking at the next step of political liberalization. In October 2017, during the 19th National Party Congress, the CCP enshrined Xi and his ideology in China's constitution, and in March of this year, the CCP amended the constitution to remove term limits, paving the way for Xi to stay in power indefinitely.

China is also undergoing a Confucian revival. This is nothing short of astonishing: throughout the twentieth century, intellectuals and political leaders alike, including Mao Zedong, excoriated Confucianism as the main obstacle to China's modernization. But at the beginning of this century, Xi's predecessor, Hu Jintao, based his "harmonious socialist society" doctrine, which was designed to counter the inequality created by rapid economic growth, on Confucian teachings. As of this year, the Chinese government has established 525 Confucius Institutes around the world. (The goal is to have 1,000 by 2020.) And since taking power, Xi has repeatedly extolled Confucianism in his speeches as the key to understanding China's history and distinctive national character.

Just as Park did in 1972, China's leaders today argue that the country does not need to become a Western-style democracy to maintain its current level of success. "Socialism with Chinese characteristics," they claim, will continue to make the country competitive. As Xi said at the 19th Party Congress, "We should not just mechanically copy the political systems of other countries." But as Park discovered, economic liberalization generates pressures that even authoritarian leaders cannot fully repress.

## **AUTOCRACY CANNOT HOLD**

Despite the early successes of Park's state-directed heavy industrialization program, by the late 1970s, the economy had started to experience excess capacity, producing significantly more than it could export or consume. The problem was the government's industrial policy: rather than letting the market allocate resources, the government was allotting them through directives. As a result, many companies collapsed, creating labor unrest that sparked massive strikes. The regions around Changwon, Masan, and Busan, home to the country's major export zones and industrial parks, were hit particularly hard. The situation became explosive when Masan University and Pusan National University students who had been leading demonstrations protesting political oppression began to coordinate with striking workers. According to Korea's Confucian tradition, university students represent the conscience of the nation. It was widely accepted that they would remonstrate against perceived injustices, especially those perpetrated by the powers that be.

When students and workers joined forces, the government responded with force. In October 1979, the government imposed martial law on Changwon, Masan, and Busan. The ensuing dispute over whether to continue the government crackdown against the protests ultimately led to Park's downfall. The protests sparked a heated internal debate. On one side, Kim Jae-kyu, the head of the Korean intelligence agency and one of Park's oldest friends, counseled restraint. On the other, Cha Ji-chul, the head of the presidential bodyguard and Kim's political archrival, called for a hard crackdown. On October 26, during a private dinner, Kim assassinated both Park and Cha.

After Park's assassination, his epigones were able to extend military rule for another eight years—but the tide had already turned. In 1987, South Korea made a full transition to democracy when the government yielded to popular demands for direct presidential elections. Park's dictatorial power and invocation of Confucian principles could not prevent the spread of liberal values. Just as Park had feared, market reforms ultimately undermined the networks of family, clan, and patronage that had defined the traditional order. Yet it was precisely the replacement of an order based on these personalistic ties with one based on rules and individualism that allowed South Korea's economy to grow. Individual initiative and creativity, along with the increasing rationalization of every aspect of life to promote efficiency

and productivity: these all contributed to South Korea's competitiveness. Liberalization and democratization were not the downfall of South Korea's economy and society; they were preconditions for the country's progression to the next stage of development.

After Park's death, successive South Korean governments continued to liberalize the sectors of the economy that had been under direct government control. In the 1980s, the government opened the country's capital markets, allowing South Korean companies to raise capital from the global financial markets rather than from state-run banks. In 1997, South Korea fell victim to the Asian financial crisis, forcing the country to ask for an International Monetary Fund bailout. It was a humiliating moment for Seoul, but leaders used the crisis to push through major market-oriented reforms that dismantled the centrally planned investment model. Two years later, the economy was growing again, recording an 11 percent growth rate in 1999. All the while, South Korea further integrated itself into the growing liberal economic order, joining the WTO in 1995, the Organization for Economic Cooperation and Development in 1996, and concluding 15 free-trade agreements with 52 partners, including the EU (in 2011), the United States (in 2012), and China (in 2015). The country's transition from repressive backwater to democratic powerhouse was complete.

### **CHINA'S PARK CHUNG-HEE MOMENT**

Like South Korea during the Park era, China is experiencing the limits of economic liberalization without political reform. The Chinese economy today suffers from massive inefficiency and production problems due to an overreliance on state control. State-owned enterprises have become a major drag on the economy, but reform has stalled. Meanwhile, Chinese banks are saddled with massive amounts of bad loans. The real estate bubble, the product of excessive debt and overbuilding, could burst at any moment.

Despite these problems, the sheer magnitude of the CCP's achievement in lifting the country out of poverty and transforming it into the second-largest economy in the world has convinced many observers that the Chinese may indeed be onto something. And the regime's ability so far to defy periodic predictions of its demise has led many observers to contend that the so-called China model offers an alternative path of political and economic development.



This tendency to view the Chinese system as anything other than pre-liberal, pre-democratic, and even premodern authoritarianism is reinforced by widespread self-doubt within liberal democracies today. China's rise comes at a moment of deep anxiety about the long-term viability of the liberal international order. These two developments are happening at the same time, but they are the product of two very different forces. The ascent of China is the story of a developing country becoming a developed one, whereas the West's current soul-searching is a crisis of success that came as a consequence of having fully embraced economic, social, and political liberalization.

Has Beijing found a new form of state capitalism that will outperform or even outlast liberal democracy? It would be odd if China's path suddenly diverged from South Korea's. Just as "Korean-style democracy" was nothing more than a euphemism for old-fashioned dictatorship, the same is true of "socialism with Chinese characteristics."

There are two possible paths for China going forward: political liberalization, which would enable continued economic success, or authoritarian retrenchment, which would slowly but surely undermine China's economic growth. The lesson of South Korea is that when it comes to sustaining economic growth, political liberalization is not a matter of choice. 🌐

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# How We Got the Iran Deal

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## And Why We'll Miss It

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*Wendy R. Sherman*

**I**n the international negotiations that resulted in the 2015 agreement to limit Iran's nuclear activities, I led the team of American diplomats representing the United States. During the talks, my Iranian counterparts would occasionally ask how they could be assured that any deal we struck would be durable. Most Republicans opposed it, and looking at the forthcoming 2016 U.S. presidential election, the Iranians wondered what would happen if the GOP took the White House. I would answer by asking them a similar question: "What if hard-liners opposed to the deal regained power in Iran?" It usually ended the discussion, as I thought it should: after all, I always expected that the greatest challenge to the deal's success would be violations by Iran, not the political machinations of the president of the United States.

Of course, I was wrong. In May of this year, U.S. President Donald Trump decided to pull the United States out of the agreement and reimpose the U.S. sanctions on Iran that the deal had lifted, a move that will go down as one of the worst foreign policy blunders in U.S. history. The Iran deal was not perfect; no deal ever is. Nonetheless, the Joint Comprehensive Plan of Action (JCPOA), as the agreement is formally known, offered the best possible assurance that Iran would never obtain a nuclear weapon.

I don't know if the Iran deal can survive the reinstatement of sanctions, which the United States set aside in exchange for the Iranians' pledge to vastly reduce their uranium enrichment, produce no weapons-grade plutonium, and allow international inspectors to rigorously verify their

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*Let's make a deal: during negotiations in Lausanne, Switzerland, April 2015*

compliance. The JCPOA's restrictions close every possible path for Iran to obtain fissile material for a nuclear weapon. Although some of the restrictions that the deal places on Iran end after 10, 15, 20, or 25 years, its prohibition on Iran's obtaining a nuclear weapon never ends. So far, the Iranians have stuck to the terms of the deal.

Trump's decision has shaken the world's faith in the United States' commitment to multilateral diplomacy. No matter how much Trump derides the deal, the JCPOA stands as a model for combining the threat of sanctions and continued isolation with the hard work of negotiating, even between countries whose relationships are shaped by conflict and distrust. Before Trump undercut it, the JCPOA was advancing U.S. interests and making the world safer. Far from being "the worst deal ever," as Trump likes to say, it represents a model that his administration should emulate as it negotiates with North Korea over its nuclear arsenal. In that situation, Trump has relied mostly on threats, bluster, and rosy pronouncements. But as he and his team are learning, direct talks with adversaries are difficult. They require courage, persistence, and a realistic sense of one's own power.

## **AN INVITATION TO TALK**

Most of Iran's contemporary leaders came of age around the time of the Iranian Revolution of 1979, when supporters of the Muslim cleric Ayatollah Ruhollah Khomeini allied with other dissidents to overthrow the shah of Iran. Later that year, a group of Iranian university students,

devout followers of Khomeini, occupied the U.S. embassy in Tehran and took 52 Americans hostage. Many high-level officials in the Iranian regime directly participated in the revolution; some were even involved in the hostage-taking. Their success stunned the world, and a sense of shared experience still holds Iran's fractious political elite together. That revolutionary posture is crucial to understanding how the Iranians approached the nuclear negotiations.

The regime in Tehran maintains a kind of split personality. The country's supreme leader, Ayatollah Ali Khamenei, and the elected government led by President Hassan Rouhani sit atop what is, by Middle Eastern standards, an enviably stable society. At home, the country hosts a large, educated middle class, and the regime has so far managed to ward off most internal challenges to its power—albeit with brute force. Abroad, it has projected its power: supporting the Lebanese terrorist group Hezbollah in its campaigns against Israel, backing Shiite militias in Iraq, and helping Syrian President Bashar al-Assad wage a savage civil war in Syria.

But underneath the surface of authoritarian control at home and confident risk-taking abroad, Iran's leaders are profoundly insecure. They consider themselves besieged by anti-Muslim Western powers, led by the United States, that are obsessed with overthrowing the Islamic Republic and that collude with its rivals to deprive it of its rightful role as a regional hegemon. In the face of such threats, the regime demonizes the United States as a way of making itself look heroic to its own citizens.

This is the leadership that President Barack Obama reached out to in hopes of stopping the regime's development of a nuclear weapon. In his first inaugural address, Obama addressed the theocrats in Iran and other authoritarian regimes: "We will extend a hand if you are willing to unclench your fist," he pledged. The prospect of such engagement was a 180-degree turn from the approach to Iran that U.S. presidents had taken for almost a quarter century. The United States first applied sanctions to the Islamic Republic in the aftermath of the hostage crisis. Then, in 1984, after determining that the Iranian government had been involved in the bombing of a U.S. Marine barracks in Lebanon the prior year, which killed 241 U.S. service members, the Reagan administration levied further sanctions against Iran. During the Clinton administration, Washington banned investment in Iran's oil fields by U.S. energy companies. And in the wake of the 9/11 attacks, President George W. Bush famously accused Iran of being



part of an “axis of evil” and used sanctions to punish foreign entities that traded with the Islamic Republic.

In 2003, the UN Security Council, the major European powers, and Iran began negotiating over Iran’s nuclear activities. But just three years later, those talks broke down. At that point, the United States and the UN imposed sanctions on Iran with the specific intention of curbing the regime’s ability or inclination to acquire the elements of a bomb. From then on, the EU and the so-called P5+1—the five permanent members of the UN Security Council (China, France, Russia, the United Kingdom, and the United States) plus Germany—pursued a coordinated strategy: offering Iran a path to escape the sanctions by abandoning its enrichment program while constantly upping the economic cost the Iranians paid for their intransigence.

In 2006, Iran already appeared to be operating a uranium enrichment program with a cascade of 164 centrifuges at its main facility in Natanz. By the time multilateral talks were back in full swing, in 2013, harsh sanctions had been in place for years. Yet Iran now had 19,000 operating centrifuges. Sanctions might have hurt Iran’s economy, but they hadn’t done much to thwart the country’s nuclear ambitions.

Hawks in Washington (and in Israel and Saudi Arabia) had long advocated military strikes to eliminate Iran’s nuclear facilities. But just as sanctions alone did not force Iran to change course, military strikes would not have magically induced the Iranians to forget how to make bombs; air strikes could at best set back, but not end, its nuclear project. Even advocates for bombing put the hypothetical delay at three to five years. Meanwhile, an attack would have given Iran an excellent excuse to accelerate its efforts—and to do so with even greater secrecy.

Obama had no illusions that the Iranians would rush to dismantle a nuclear program they’d put so many resources into constructing. So in addition to making clear his interest in talking, he took unilateral action to impede Iran’s progress. In 2011, *The New York Times* reported that a computer virus known as Stuxnet had been released into the Atomic Energy Organization of Iran’s network, disrupting the country’s uranium-producing centrifuges. Obama also commissioned a new 30,000-pound bomb that could penetrate Iran’s underground enrichment facility at Fordow. And the administration carried out an increasingly harsh regime of economic sanctions, which involved coaxing other countries to stop importing Iranian oil. The president’s goal, however, wasn’t to merely threaten the Iranians. It was to pressure them into negotiations.

## GETTING TO YES

I first formally met the men who would become my counterparts in the negotiations, Abbas Araghchi and Majid Takht-Ravanchi, in September 2013 in New York, during the meeting of the UN General Assembly. Earlier that summer, Rouhani, the reform candidate in the Iranian elections, had been elected president of Iran. Rouhani had appointed as his foreign minister Mohammad Javad Zarif, who had attended San Francisco State University and received his doctorate in international affairs from the University of Denver. Zarif was a dedicated revolutionary: as a student, he had occupied the Iranian consulate in San Francisco to force out diplomats whom Khomeini considered insufficiently devout. But he was also comfortable with Americans. In the early 1980s, he returned to the United States to work at the Iranian mission to the UN, ultimately rising to the position of ambassador.

Now, as Rouhani's newly appointed foreign minister, Zarif had returned to his old stomping ground, charging around Manhattan with his customary brio and enthusiasm. Araghchi and Takht-Ravanchi came along as Zarif's rather more sober deputies. Their other purpose in coming to New York was to meet with U.S. Deputy Secretary of State William Burns and Jake Sullivan, who had been director of policy planning under Secretary of State Hillary Clinton and was now Vice President Joe Biden's national security adviser. For months, Burns and Sullivan, along with a small team of negotiators from the State Department and the White House, had been secretly meeting with Araghchi and Takht-Ravanchi in the tiny Persian Gulf sultanate of Oman—the first extended talks between U.S. and Iranian officials since the fall of the shah.

In 2012, Qaboos bin Said, the sultan of Oman, had reached out through a mutual acquaintance to John Kerry—then a U.S. senator and chair of the Senate Foreign Relations Committee—with an offer to foster friendlier relations between the United States and Iran. Kerry made a series of visits to Oman—scouting trips to verify that the sultan could actually help create a back channel through which U.S. officials could communicate with decision-makers in Iran, including Khamenei. Later that year, Sullivan, along with a White House Middle East specialist named Puneet Talwar, flew to Oman to meet with Iranian officials. They reported back to Obama and Clinton that the Iranians seemed serious about responding to the president's offer to talk.

Now, Burns wanted to introduce me, as the undersecretary of state and the person charged with driving the official negotiations, to Araghchi

and Takht-Ravanchi, to put names to faces in anticipation of the day when the back channel and the formal talks would be melded. It was a rather stiff meeting. Araghchi and Takht-Ravanchi were reserved. In keeping with the customs of their conservative brand of Islam, neither offered to shake my hand. Still, they encouraged us to consider Rouhani's election as a new start to the negotiations. We knew that Rouhani wanted to improve relations with the West. Sanctions had made day-to-day life difficult for ordinary Iranians: owing to massive inflation, many people had taken to carrying huge stacks of cash to pay for household items. Rouhani had run on a pledge to raise the standard of living, and Zarif's appointment as foreign minister indicated that, unlike his predecessor, the provocative hard-liner Mahmoud Ahmadinejad, Rouhani was ready to deal. Rouhani was astonished but glad to learn after his election that there were direct talks already going on between the United States and Iran. Three days after his inauguration, he called for the resumption of the P5+1 talks, which had been put on hold during the election campaign in Iran.

Rouhani's election also lent new energy to the back-channel talks, as did a substantive change in the U.S. government's position. Ever since 2003, when it became clear that Iran was enriching uranium, Washington had insisted that Iran had to completely cease doing so. The Iranians, meanwhile, had stood on the principle that enriching uranium for civilian uses, as they claimed they were doing, was their right as a sovereign nation and did not violate any treaties. Obama decided to tell the Iranians that he would entertain the possibility of allowing them to enrich a very limited amount of uranium, if the enrichment could be tightly inspected, monitored, and verified—a position already taken by Washington's European allies.

In practical terms, Obama wasn't giving away much. The Iranians had already mastered the science of uranium enrichment. They would continue to stockpile enriched uranium whether the United States accepted their right to do so or not. Insisting on a total prohibition of enrichment only frustrated the United States' European partners and gave Iran the opportunity to cast Washington as the recalcitrant party. The new proposal, on the other hand, would allow the United States to limit Iran's enrichment while permitting the Iranian regime to claim that it had faced down the world to retain its civil nuclear program and had also won conditional relief from sanctions. Strategically, the Iranians couldn't say no. Politically, they were given space to say yes.

## HANDSHAKE DIPLOMACY

When the P5+1 negotiations resumed that November in Geneva, Switzerland, I felt that it was crucial to create a sense of personal connection in our day-to-day interaction with the Iranians. I had a significant problem, however, in that I still could not shake hands with my counterparts. Conservative Muslims in many cultures are forbidden by custom from physical contact with members of the opposite sex. Such rules don't evaporate when Iranians leave home. Diplomats and other frequent travelers to the Middle East have developed a workaround: those of us who are barred from shaking hands press our right hands to our chests and give a slight nod. It does the job, although when you're the only woman in a roomful of men, repeatedly clapping your chest and nodding, you risk looking like part of a Marx Brothers routine.

In this case, however, the gesture provided me with an opening. One day, during a break, I turned the conversation with Araghchi and Takht-Ravanchi toward our inability to shake hands. I explained that I had grown up in a Jewish neighborhood outside Baltimore and that many of my neighbors were strictly observant Orthodox Jews—some of whom, like some conservative Muslims, avoid touching anyone of the opposite sex besides a spouse, child, or parent.

Araghchi and Takht-Ravanchi were at first slightly mortified, but as I continued my story, they began to listen with great interest. They had not known that they shared this custom with Orthodox Jews, and talking about the awkwardness of our greeting transformed its significance. It gave them some insight into my background. They could see me a little more clearly: not just as a representative of the United States, or as an untouchable member of the opposite sex, but as a human being with respect for their cultural norms.

Establishing common ground with the Iranians was especially important because, from a political and even psychological standpoint, the talks had a different resonance for them than they did for the Americans. For one thing, the professional and even personal stakes were much higher for their negotiating team than for ours. If the U.S. team failed to come up with a deal, or if our domestic political opponents called us appeasers or disparaged the eventual agreement as treasonous (as they did and continue to do), our careers would not end and our reputations would probably survive. Our country would face a greater threat, but ordinary Americans wouldn't feel it



immediately in their pocketbooks. The Iranians could count on no such assurances.

Another factor adding to the tension was that the Iranians bridled constantly at being told by representatives of the former colonial powers what kinds of weapons they could have. In 1953, the Americans and the British had organized a coup against Iran's democratically elected government. They had created client states and spread chaos, in the Iranians' view, for the sake of cheap oil. At times, the Iranians' pose of resistance led them to irrational positions. When we offered them relief from sanctions, they claimed that the sanctions weren't hurting them. It was a preposterous claim, but one that was vital to their self-regard. For them, nearly everyone else at the table represented the Western corruption and arrogance that their revolution had stood against. Bowing to the wishes of these world powers would betray their sense of who they were.

### **TROUBLE ON THE HOME FRONT**

By late November 2013, the parties to the talks had overcome a number of significant disagreements and had arrived at an interim agreement. The P5+1 pledged to pull back a small number of the sanctions that were tying up Iran's economy, give Iran access to some \$7 billion in Iranian funds that had been frozen in foreign banks, and suspend bans on Iran's auto industry and its trade in airplane parts, so that the country could upgrade its debilitated civilian airliners. In return, Iran would deeply cut its production of enriched uranium and allow international inspectors into its nuclear sites. The plan was designed to build confidence in the Iranians' willingness and ability to comply with a long-term deal and give the Iranian people a taste of what that deal would mean, while we hammered out the final details.

There was also work to do back home in the United States. Obama's decision to open up a dialogue with Iran had plenty of detractors, as any assault on the status quo always does. As the final contours of a deal began to take shape, resistance from Congress became the administration's chief concern. The Iran deal would not be submitted as a treaty, which would require 60 votes to win ratification in the Senate—a nonstarter in a chamber controlled by the GOP. Instead, the deal was classified as an executive action, a prerogative of the president to manage foreign affairs under the power delegated in the Constitution.

In recent years, because of the sheer volume of business with other countries, presidents have come to prefer such agreements over treaties,

which tend to be difficult to get through the U.S. Senate. (In 2012, Republicans in the Senate rejected a treaty that would have protected the rights of disabled people all over the world, even after the former Republican senator and presidential candidate Bob Dole took to the Senate floor in his wheelchair to urge its passage.) But the Obama administration had another, more substantive reason for putting the Iran deal forward as an executive agreement. The deal would require constant reviews of Iran's compliance and had to allow enough flexibility to quickly restore sanctions if Iran didn't keep its promises. It would have been very difficult to build such flexibility into a formal treaty.

Still, Congress had the ability to override an executive action that lifted sanctions by simply passing new ones. And as the deal grew closer to completion, senators began to make noise about holding a vote to formally approve or disapprove it, which would not only set up troublesome jurisdictional questions but also put the deal itself at risk. Members of both parties had legitimate questions about the deal. (The Republicans, in addition, had political reasons for wanting to see it fall apart.) And as the final framework took shape, opposition to it stiffened sharply. The possibility that we might actually succeed in fleshing out an agreement seemed to energize the Republicans—and the Israelis, who began to act in concert with the GOP to foil our progress.

From the beginning of the Obama administration, Israeli Prime Minister Benjamin Netanyahu had warned that negotiating with Tehran would only give the Iranians more time to build up their nuclear capabilities and had advocated a preventive military strike on Iran's nuclear facilities. In March 2015, he accepted an invitation from the Republican Speaker of the House, John Boehner, to address a joint session of Congress. Netanyahu used this unprecedented appearance to denounce the deal—and to implicitly push for a party change in the White House.

The speech was the equivalent of throwing a grenade into the negotiations. The Iranian negotiators had grown accustomed to Netanyahu's hyperbolic rhetoric but were incensed by the fact that the U.S. Congress seemed to be endorsing it. And Netanyahu's gambit was only the start of a full-court press to reject the deal. A few days later, U.S. Senator Tom Cotton, a Republican from Arkansas, published an open letter addressed to "the leaders of the Islamic Republic of

Iran,” informing them that any agreement made without the approval of the U.S. Congress would pertain only as long as Obama was in office. “The next president could revoke such an agreement with the stroke of a pen,” the letter read, “and future Congresses could modify the terms . . . at any time.”

We on the U.S. negotiating team were stunned by the letter, which was cosigned by 46 other GOP senators. None of us could remember a time when Congress had so publicly tried to sandbag the executive branch’s foreign policy efforts. Cotton, a freshman senator who had fought in Iraq, believed that regime change in Iran was the only way to guarantee peace in the Middle East. But he and other prominent critics misunderstood a basic rule of diplomacy: you have to deal with things as they are, not as you wish them to be. Had we thought that we could wait until some hypothetical day when the theocrats in Tehran would be deposed, there would have been no need for a negotiated solution.

Still, a good diplomat never wastes an opportunity, and we managed to use the letter and Netanyahu’s congressional appearance to our advantage. When the Iranians claimed that we were asking for too much and that they could never sell the deal in Tehran, we reminded them that they were not the only ones taking political risks. “Look at this letter, and the joint session of Congress,” we said. “We have problems at home, too.” On July 14, 2015, the JCPOA was formally announced. In the end, a Democratic filibuster prevented the Republicans in the Senate from stopping the implementation of the deal.

## **AMERICA WALKS AWAY**

By this spring, when it became clear that Trump planned to withdraw the United States from the deal, the economic benefits that Iran had hoped for had yet to fully materialize. The U.S. Congress, angered by Iran’s increasing presence in Iraq and its continued support for Hezbollah and the Assad regime in Syria, understandably kept in place sanctions that had not been lifted as part of the JCPOA. Iran didn’t help itself by making it difficult for companies to enter its domestic markets. Many large companies, including Airbus, Allianz, Boeing, Peugeot, Renault, Siemens, and Total, had begun to work on deals for investment and sales in Iran. But investment from Western-based multinationals was held back by concerns about corruption and the lack of security for foreigners—especially dual nationals, who frequently found themselves targeted for harassment or arrest by Iran’s security services.

Trump's election exacerbated these challenges, as his administration severely undercut the deal, proposing legislation that would weaken it and refusing to issue licenses for the limited investment U.S. companies could make. These measures only emboldened the hard-liners in Iran, who said they showed that the United States never intended to honor the deal. The president piled on by tweeting his usual invective about the agreement. The truth was that from the U.S. perspective, the deal was working well: the Iranians were complying with the inspections regime and had come up clean in every sweep of their facilities.

In April, I spoke to Zarif about the road ahead. Although he was calm and focused, I knew him well enough to see that, behind his usual smooth delivery, he was concerned about what would happen if Trump withdrew from the deal. The United States was only one of six partners to the agreement, but its economic might made Washington's participation crucial. Reinstating U.S. sanctions, especially those barring access to U.S. banks for any company doing business with Iran's central bank, would hollow out the deal. The slim progress Iran had made in garnering foreign investment and trade would likely fizzle altogether.

The most important thing, I told Zarif, was for Iran to continue to comply with the terms of the agreement: no uranium enrichment beyond the parameters agreed to and open doors to the international nuclear inspectors. I next tried to impress on him that dissatisfaction with the deal had much to do with Iran's meddling in Iraq, Lebanon, Syria, and Yemen—activities that Democrats and Republicans alike saw as destabilizing and dangerous. I acknowledged that the nuclear agreement didn't cover Iran's behavior outside its borders, but the administration was nonetheless making Iran's attempts to disrupt and control the Middle East a phantom term of the deal. I urged Zarif to do what he could to convince his government to lower the temperature (and to send home Americans who had been detained or were missing in Iran).

It was too late. Less than a month later, Trump announced that he was pulling the United States out of the deal. Trump's policies often seem to follow little logic other than to do the opposite of what Obama did, no matter the circumstance and no matter the consequences. In this sense, his exit from the JCPOA was always a *fait accompli*. The deal had survived as long as it did thanks only to some of Trump's early



advisers, who understood its value. But they hadn't lasted long in the chaos of the Trump administration.

With the hawkish John Bolton now driving Iran policy as Trump's national security adviser and the president seeming to want to ingratiate himself with Israel and Saudi Arabia, the administration appears to have replaced the Iran deal with a threat of violent regime change—a curious decision for a White House that wants to reduce U.S. commitments in Afghanistan and Syria and perhaps remove U.S. troops from the Korean Peninsula. Unless Trump decides to expend American blood and treasure in Iran—a fight that would be difficult to contain to Iran alone—the theocrats in Tehran are almost certain to remain in power, as mistrustful of the United States as ever and now liberated to ignore goodwill efforts to improve the situations in Iraq, Syria, and elsewhere.

Even if Washington's European allies can hang on to the JCPOA on paper, their corporations will face uncertainty in Tehran and pressure from Washington. Virtually all large companies have already backed away from their ventures in Iran. For the economic development Iran hoped the deal would bring, the regime will now turn to China and Russia. And worst of all, if Iran decides to pull out of the deal and end the inspections of its nuclear facilities, the chances that the country will someday develop nuclear weapons will be vastly increased. As bad as Iran's current behavior in the region is, a nuclear-armed Iran would be much worse, since it would be able to act more aggressively and deter the United States and its allies from pushing back.

Trump has turned Iran into a nearly impossible problem for future administrations. His behavior has given U.S. allies less reason to trust Washington on future deals or to take U.S. interests into account. He has thrown away a hard-nosed nuclear deal that set a new standard for verification, and he punched a hole in a highly effective web of sanctions and international consensus that made the Iran deal—and future deals like it—possible.

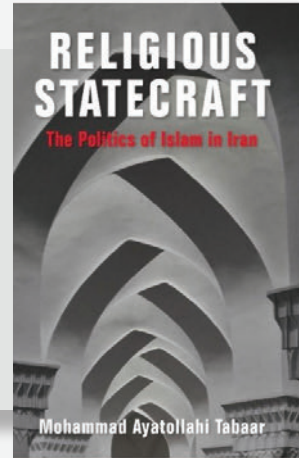
The JCPOA represents the state of the art of professional multilateral diplomacy. As Trump is now finding out through his difficulties in pinning down a deal with North Korea, verifiable nuclear agreements backed by U.S. allies and adversaries are hard to come by. With every threat Trump tweets and every list of empty promises his administration releases, the Iran deal looks better and better. 🌐

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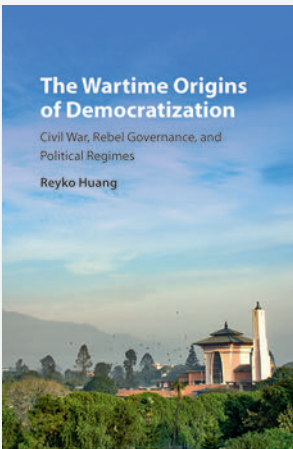
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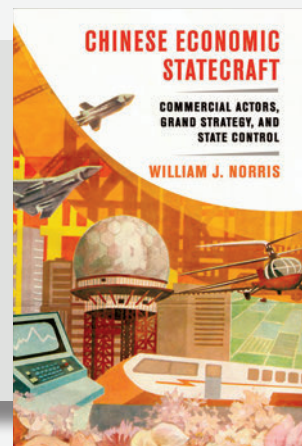
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# The Forgotten History of the Financial Crisis

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## What the World Should Have Learned in 2008

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*Adam Tooze*

“September and October of 2008 was the worst financial crisis in global history, including the Great Depression.” Ben Bernanke, then the chair of the U.S. Federal Reserve, made this remarkable claim in November 2009, just one year after the meltdown. Looking back today, a decade after the crisis, there is every reason to agree with Bernanke’s assessment: 2008 should serve as a warning of the scale and speed with which global financial crises can unfold in the twenty-first century.

The basic story of the financial crisis is familiar enough. The trouble began in 2007 with a downturn in U.S. and European real estate markets; as housing prices plunged from California to Ireland, homeowners fell behind on their mortgage payments, and lenders soon began to feel the heat. Thanks to the deep integration of global banking, securities, and funding markets, the contagion quickly spread to major financial institutions around the world. By late 2008, banks in Belgium, France, Germany, Ireland, Latvia, the Netherlands, Portugal, Russia, Spain, South Korea, the United Kingdom, and the United States were all facing existential crises. Many had already collapsed, and many others would before long.

The Great Depression of the 1930s is remembered as the worst economic disaster in modern history—one that resulted in large part from inept policy responses—but it was far less synchronized than the crash in 2008. Although more banks failed during the Depression,

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these failures were scattered between 1929 and 1933 and involved far smaller balance sheets. In 2008, both the scale and the speed of the implosion were breathtaking. According to data from the Bank for International Settlements, gross capital flows around the world plunged by 90 percent between 2007 and 2008.

As capital flows dried up, the crisis soon morphed into a crushing recession in the real economy. The “great trade collapse” of 2008 was the most severe synchronized contraction in international trade ever recorded. Within nine months of their pre-crisis peak, in April 2008, global exports were down by 22 percent. (During the Great Depression, it took nearly two years for trade to slump by a similar amount.) In the United States between late 2008 and early 2009, 800,000 people were losing their jobs every month. By 2015, over nine million American families would lose their homes to foreclosure—the largest forced population movement in the United States since the Dust Bowl. In Europe, meanwhile, failing banks and fragile public finances created a crisis that nearly split the eurozone.

Ten years later, there is little consensus about the meaning of 2008 and its aftermath. Partial narratives have emerged to highlight this or that aspect of the crisis, even as crucial elements of the story have been forgotten. In the United States, memories have centered on the government recklessness and private criminality that led up to the crash; in Europe, leaders have been content to blame everything on the Americans.

In fact, bankers on both sides of the Atlantic created the system that imploded in 2008. The collapse could easily have devastated both the U.S. and the European economies had it not been for improvisation on the part of U.S. officials at the Federal Reserve, who leveraged transatlantic connections they had inherited from the twentieth century to stop the global bank run. That this reality has been obscured speaks both to the contentious politics of managing global finances and to the growing distance between the United States and Europe. More important, it forces a question about the future of financial globalization: How will a multipolar world that has moved beyond the transatlantic structures of the last century cope with the next crisis?

## **TALL TALES**

One of the more common tropes to emerge since 2008 is that no one predicted the crisis. This is an after-the-fact construction. In truth, there were





*First responders: Henry Paulson and Ben Bernanke testifying in Washington, July 2008*

many predictions of a crisis—just not of the crisis that ultimately arrived.

Macroeconomists around the world had long warned of global imbalances stemming from U.S. trade and budget deficits and China's accumulation of U.S. debt, which they feared could trigger a global dollar selloff. The economist Paul Krugman warned in 2006 of "a Wile E. Coyote moment," in which investors, recognizing the poor fundamentals of the U.S. economy, would suddenly flee dollar-denominated assets, crippling the world economy and sending interest rates sky-high.

But the best and the brightest were reading the wrong signs. When the crisis came, the Chinese did not sell off U.S. assets. Although they reduced their holdings in U.S.-government-sponsored enterprises such as the mortgage lenders Fannie Mae and Freddie Mac, they increased their purchases of U.S. Treasury bonds, refusing to join the Russians in a bear raid on the dollar. Rather than falling as predicted, the dollar actually rose in the fall of 2008. What U.S. authorities were facing was not a Sino-American meltdown but an implosion of the transatlantic banking system, a crisis of financial capitalism.

And the crisis was general, not just American, although the Europeans had a hard time believing it. When, over the weekend of September 13–14, 2008, U.S. Treasury Secretary Henry Paulson and other officials tried to arrange the sale of the failed investment bank Lehman Brothers to the British bank Barclays, the reaction of Alistair Darling, the British

chancellor of the exchequer, was telling. He did not want, he told his American counterparts, to “import” the United States’ “cancer”—this despite the fact that the United Kingdom’s own banks were already tumbling around him.

The French and the Germans were no less emphatic. In September 2008, as the crisis was going global, the German finance minister, Peer Steinbrück, declared that it was “an American problem” that would cause the United States to “lose its status as the superpower of the world financial system.” French President Nicolas Sarkozy announced that U.S.-style “laissez faire” was “finished.” To Europeans,

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*To Europeans, the crisis was the United States’ comeuppance.*

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the idea of an American crisis made sense. The United States had allowed itself to be sucked into misguided wars of choice while refusing to pay for them. It was living far beyond its means, and the crisis was its comeuppance. But confident predictions that

this was a U.S. problem were quickly overtaken by events. Not only were Europe’s banks deeply involved in the U.S. subprime crisis, but their business models left them desperately dependent on dollar funding. The result was to send the continent into an economic and political crisis from which it is only now recovering.

Even today, Americans and Europeans have very different memories of the financial crisis. For many American commentators, it stands as a moment in a protracted arc of national decline and the prehistory of the radicalization of the Republican Party. In September 2008, the Republican-led House of Representatives voted against the Bush administration’s bailout plan to save the national economy from imminent implosion (although it passed a similar bill in early October); a few months later, after a lost election and at a time when 800,000 Americans were being thrown out of work every month, House Republicans voted nearly unanimously against President Barack Obama’s stimulus bill. The crisis ushered in a new era of absolute partisan antagonism that would rock American democracy to its foundations.

Europeans, meanwhile, remain content to let the United States shoulder the blame. France and Germany have no equivalent of *The Big Short*—the best-selling book (and later movie) that dramatized the events of 2008 as an all-American conflict between the forces of herd instinct and rugged individualism, embodied by the heterodox speculators who

saw the crisis coming. Germans cannot ignore that Deutsche Bank was a major player in those events, but they can easily explain this away by claiming that the bank abandoned its German soul. And just as the Europeans have chosen to forget their own mistakes, so, too, have they forgotten what the crisis revealed about Europe's dependence on the United States—an inconvenient truth for European elites at a time when Brussels and Washington are drifting apart.

### **A FISTFUL OF DOLLARS**

Europe's persistent illusions were on full display in an August 9, 2017, press release from the European Commission. In it, the commission announced that the "crisis did not start in Europe" and that the underlying problem had been "exposure to sub-prime mortgage markets in the United States," which triggered the deep European recession that followed. Brussels went on to take credit for mitigating that recession through the "strong political decisions" of EU institutions and member states.

The timing of the press release was significant. It came on the tenth anniversary of what most experts consider to be the true start of the global financial crisis—the moment on August 9, 2007, when the French bank BNP Paribas announced that it was freezing three of its investment funds due to volatility in asset-backed securities markets in the United States. This was the first indication that the downturn in housing prices, which had begun in early 2007, would have global ramifications. That same day, the European Central Bank (ECB) was sufficiently alarmed to inject \$131 billion in liquidity into Europe's banking system.

The commission's analysis of what happened in 2007 was telling. Set aside, for a moment, the fact that problems at a French bank were the occasion of the anniversary, that there were massive homegrown real estate busts in Ireland and Spain, and that Greece and Italy had accumulated dangerous debt stocks of their own. What, exactly, did the implosion of U.S. subprime mortgage markets expose?

The United States' mortgage system was obviously broken. Some of the lending was criminal. And the design of mortgage-backed securities, many of which earned the highest bond ratings by bundling together bad mortgages, was flawed. But none of these problems explains why the downturn precipitated a global banking crisis. After all, investors lost more money when the dot-com bubble burst in 2000 and 2001, but that did not bring the global financial system to the brink of disaster.

What turned 2008 into the worst banking crisis in history was a new business model for banks. Traditionally, most banks had funded their operations through what is known as “retail” banking, in which consumers lend money to banks in the form of deposits, which banks use to make loans. Beginning in the 1980s, however, banks across the world increasingly moved toward “wholesale” banking, funding their operations through large, short-term loans from other financial institutions, such as other banks and money market funds. The motive for this shift was profit and competitive survival. Wholesale funding gave banks the ability to borrow much larger sums of money than they could in the retail market, allowing them to become more leveraged—and thus more exposed to risk—than ever before.

But the real threat to the global economy was not just that banks in the United States, Europe, and, to some extent, Russia and Asia were

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*By late 2007, the world was witnessing a trillion-dollar, transnational bank run.*

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becoming overleveraged; it was also that much of these banks’ short-term funding involved currency mismatches. In order to do business in the United States, non-U.S. banks needed dollars, which they obtained from wholesale markets through a variety of methods: borrowing unsecured cash from U.S.

sources, issuing commercial paper (essentially short-term IOUs), and, crucially, using currency-swap markets to receive short-term dollar loans in exchange for their own local currencies, with a promise to “swap” the currencies back at the end of the loan term. In short, foreign banks were racking up sizable liabilities that had to be paid in dollars. If the money markets where they obtained these dollars ceased to function, many of the world’s banks would immediately be at risk of failure.

And in fact, that is precisely what happened. The first big bank to fail spectacularly was the British lender Northern Rock, in August and September 2007. It had no exposure to American subprime mortgages, but its funding model relied overwhelmingly on wholesale borrowing from around the world. What cut off Northern Rock’s access to funding was BNP Paribas’ August 9 announcement. This sent a signal to wholesale lenders that more banks were holding bad assets than anyone had previously understood. With the extent of the contagion unknown, wholesale lending ground to a halt. Five days later, Northern Rock informed British regulators that it would need assistance.



The shutdown in bank funding quickly rippled across the global financial system, even reaching Russia and South Korea, countries remote from the subprime debacle but whose banks relied on the same wholesale markets now under stress. The world was witnessing a trillion-dollar, transnational bank run.

People tend to think of globalization as involving the rise of emerging markets such as China and India, and in manufacturing and commodities, these countries have indeed been the engines of growth. But in the early twenty-first century, financial globalization still revolved around the transatlantic axis, and it was between the United States and Europe that the real disaster threatened. The Bank for International Settlements estimated that all told, by the end of 2007, European banks would have needed to raise somewhere between \$1 trillion and \$1.2 trillion in order to cover the gaps on their balance sheets between dollar assets and dollar funding. In the good times, these banks had easily obtained funding through currency swaps and wholesale markets. Now, with interbank markets drying up, they were desperate for dollars.

By the fall of 2007, officials in the United States had begun to fear that European banks, in a frantic bid to earn dollars to pay their bills, would liquidate their dollar portfolios in a giant fire sale. And because these banks owned 29 percent of all nonconforming, high-risk mortgage-backed securities in the United States, this was not just a European problem. The nightmare scenario for the Americans was that European banks would dump their dollar holdings, driving the prices of mortgage-backed securities to rock bottom and forcing U.S. banks, which held even larger quantities of those securities, to recognize huge losses, thus triggering a bank run that would have overwhelmed the furious efforts of the U.S. authorities to restore stability. It was this risk of simultaneous implosion on both sides of the Atlantic that made 2008 the most dangerous crisis ever witnessed.

### **CALLING THE FEDS**

With disaster threatening, the question became how to respond. In the fall of 2008, governments across the West rushed to bail out their ailing financial institutions. In the United States, Washington came to the aid of the investment bank Bear Stearns, Fannie Mae and Freddie Mac, and the insurance giant AIG. The United Kingdom effectively nationalized HBOS, Lloyds, and the Royal Bank of Scotland. Belgium,

France, Germany, Ireland, and Switzerland all took emergency measures to rescue their own banking sectors.

As the trouble spread, crisis diplomacy kicked in. The inaugural G-20 leadership summit convened in November 2008, bringing together heads of state from developing countries such as Brazil, China, and India, in addition to those from the developed world. The birth of the G-20 reflected a multipolar world economy in which emerging markets had new weight. But it also made recourse to institutions such as the International Monetary Fund, which many developing countries viewed with hostility, all the more sensitive. No one in Washington wanted a repeat of the controversies of the Asian financial crisis in the late 1990s, when the IMF's draconian loans came to be seen by their recipients as violations of national sovereignty.

Behind the scenes, U.S. officials were putting an alternative rescue mechanism in place. The central problem was that the world's banks needed dollar funding. And the only institution that could fill that need was the Federal Reserve.

Officials at the Fed had already started to worry about European banks' funding gaps toward the end of 2007. By December of that year, Bernanke and Timothy Geithner, then the president of the New York Federal Reserve Bank, had begun offering special liquidity programs to Wall Street, giving U.S. financial institutions access to cheap cash in the hopes of stabilizing their balance sheets and avoiding a ruinous selloff of mortgage-backed securities. Immediately, European banks started dipping into these funds. The Europeans took more than half of the \$3.3 trillion offered through the Fed's Term Auction Facility, which auctioned off low-interest short-term loans, and 72 percent of the deals provided through the Single-Tranche Open Market Operation, a little-publicized Fed liquidity program that ran from March to December of 2008. (Credit Suisse alone took one-quarter of that program's funds.)

For the Fed to be acting as lender of last resort to foreign banks was no doubt unusual, but these were desperate times, and it needed to avoid a European fire sale of U.S. assets at all costs. As the crisis intensified, however, the Fed's leaders found that simply providing the European banks with access to the Wall Street liquidity programs would not be enough. Their funding needs were too great, and they lacked sufficient high-quality collateral in New York. So Geithner and the New York Federal Reserve resorted to an indirect mechanism for providing them with dollars, repurposing a long-forgotten instrument known as a "liquidity swap line."

Liquidity swap lines are contracts between two central banks, in this case, the Fed and a foreign central bank, to temporarily exchange currencies: the Fed provides its counterpart with a fixed amount of dollars and in return receives an equivalent amount of that bank's local currency. (The foreign central bank also pays a margin of interest to the Fed.) Liquidity swap lines had been used extensively in the 1960s to deal with tensions in the Bretton Woods system—which, by compelling countries to back their money with gold, led to frequent currency imbalances—but had since been confined to emergencies, as when they were used to help the Bank of Mexico during the peso crisis of 1994–95. The revival of liquidity swap lines in 2007–8 ensured that there would be no dangerous spikes in the funding costs of key Asian, European, and Latin American banks. If interbank funding got too tight, the global financial system would receive dollars directly from the Fed.

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*The world's central banks effectively became offshore divisions of the Fed.*

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The major beneficiaries of the swap lines were the central banks of Japan, Europe, and the major emerging-market countries, which could now take dollars from the Fed to pass on to their own struggling banks. The Fed introduced the liquidity swap lines in December 2007, and they were rapidly increased to a permissible limit of \$620 billion. On October 13, 2008, they were uncapped, giving the major foreign central banks unlimited dollar drawing rights. By December 2008, the swap lines were the single largest outstanding item on the Fed's balance sheet. The swap lines operated over various terms, ranging from overnight to three months. But if, for accounting purposes, they were standardized to a 28-day term, between December 2007 and August 2010, the Fed provided its Asian, European, and Latin American counterparts with just shy of \$4.5 trillion in liquidity, of which the ECB alone took \$2.5 trillion. That the European banks' giant funding gap did not escalate into a full-blown transatlantic financial crisis is thanks in large part to these swap lines.

Although the swap lines could be dismissed as technical in-house arrangements between central banks, they represented a fundamental transformation of the global financial system. The world's central banks effectively became offshore divisions of the Fed, conduits for whatever dollar liquidity the financial system required. The Fed, that is, made itself into a global lender of last resort. Whereas before 2008 many had expected an imminent dollar sell-

off, the crisis ended up confirming the centrality of the Fed to the global financial system. And by successfully managing the crisis, the Fed reinforced the dollar's attractiveness as the world's commercial currency.

But in establishing the swap-line system, the Fed also confirmed a hierarchy of central banks. The system included the obvious European central banks, such as the ECB, the Bank of England, and the Swiss National Bank, and those of Canada and Japan. But it also included the central banks of major emerging-market financial centers, such as Brazil, Mexico, Singapore, and South Korea. They were in; the likes of China, India, and Russia were not. Veterans of the swap-line program at the Fed, who spoke to me on the condition of anonymity, admitted that they knew that by rolling it out they were straying into geopolitical terrain. They carefully compiled a list of the 14 central banks that were to participate in the program, all of which had to be approved by the U.S. Treasury Department and the State Department. The Fed's minutes from the meeting of the Federal Open Market Committee on October 29, 2008, record that at least two applicants were rejected, but their names were redacted. Not everyone was sufficiently important—or sufficiently politically and economically aligned with the United States—to qualify.

The swap-line system wasn't secret, but it wasn't trumpeted, either. This was no Marshall Plan moment, and U.S. officials had no desire to publicize the fact that they were coming to the world's rescue. The inability of Europe's megabanks to come up with the trillions of dollars they owed posed such a risk to the U.S. economy that doing nothing was simply not an option. So discreetly, the Fed offered the Europeans a helping hand.

The liquidity swap lines wound down rapidly in 2009, as private credit markets began to recover. The full details of the liquidity programs were not disclosed until 2011, when the U.S. Supreme Court ordered the Fed to release the data to reporters from Bloomberg. There was good reason for secrecy: central banks do not wish to stigmatize borrowers that avail themselves of support when they need it, and announcing that the world's most important central banks were desperate for dollar funding could have frightened international markets. The result, however, is that the Fed's actions to save the global financial system have largely been forgotten. An unprecedented intervention effectively disappeared down a memory hole.



## **THE FIRE NEXT TIME**

Today, the swap lines are an obscure part of the narrative in the United States; in Europe, they have been forgotten altogether. The European Commission is free to peddle its story that it was prompt action by the European authorities that saved Europe from a crisis made in the United States. European banks such as Barclays and Deutsche Bank can proudly proclaim that, unlike their American counterparts, they came through the crisis without state assistance, despite the fact that they took hundreds of billions of dollars in liquidity from the Fed. Although such depictions are profoundly misleading, they speak volumes about the state of transatlantic relations in the early twenty-first century. The United States and Europe remain massively interdependent, but they lack a common story to glue the relationship together.

The year 2008 can thus be seen as a moment of transition. On the one hand, it marked a twenty-first-century global crisis. On the other hand, the management of that crisis relied on networks of interdependence shaped by the twentieth-century history of the transatlantic relationship—networks that were deep but that leaders on both sides of the divide now seem eager to leave behind.

What are the implications for the future? Many predicted that in the aftermath of the crisis, the dollar would lose its status as the world's leading currency, but the opposite has happened. According to figures compiled by the economists Ethan Ilzetzki, Carmen Reinhart, and Kenneth Rogoff, today the dollar is the anchor currency—the standard against which other currencies are pegged—for countries representing around 70 percent of global GDP, up from closer to 60 percent at the turn of the millennium. It was European, not American, finance that retreated. The events of 2008 left the European banks in a weakened position, and since then, they have repeatedly looked to Washington for support. When the eurozone crisis was at its most acute, in 2010, the Fed reopened its swap lines, and in November 2013, they were made permanent.

At the same time as the Fed tided the European banks over during the crisis, U.S. regulators began to take an increasingly dim view of their stability. During negotiations in the Basel Committee on Banking Supervision throughout 2010, U.S. and European officials clashed over tightening banking rules and capital requirements. And after Obama signed the Dodd-Frank financial regulations into law in July of that year, U.S. regulators began using the law's provisions to force

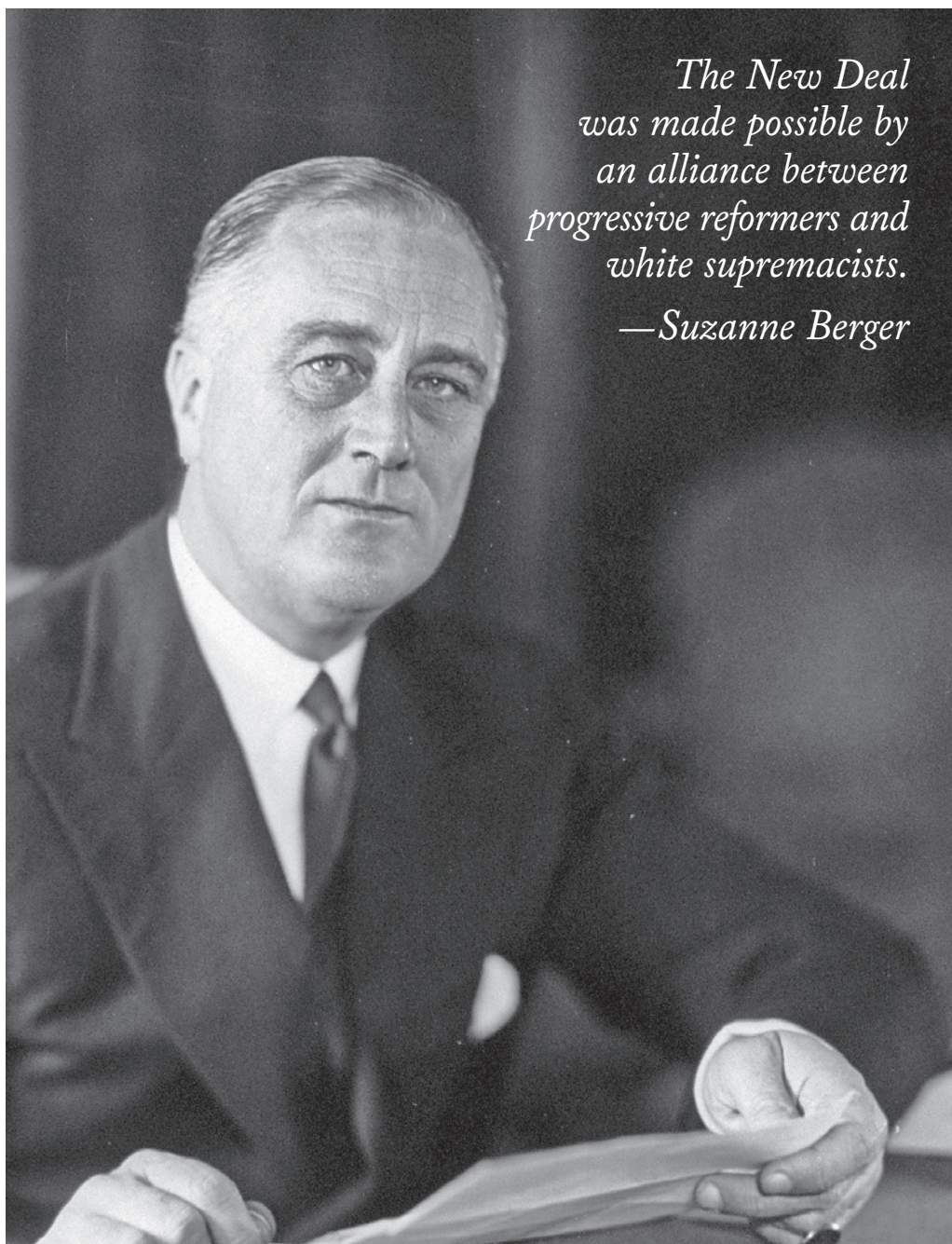
European banks in the United States to either comply with the tougher standards or exit the U.S. market.

The ultimate outcome of the crisis was thus an unwinding of the extraordinarily tight connection between U.S. and European finance that had characterized the 1990s and early years of this century. Between 2009 and 2017, the foreign claims of banks as a share of global GDP—a rough proxy for financial globalization—fell by roughly 22 percentage points, or around \$9.5 trillion. The entirety of that reduction was attributable to European banks, with much of it coming in 2009 through a collapse of European claims on the United States. Deutsche Bank's April 2018 decision to reduce its presence on Wall Street was a belated example of this broader European retreat.

At the same time as European finance has deglobalized, emerging markets have taken center stage. Cheap dollar finance enabled by the Fed's policy of low interest rates has sucked emerging markets into a deep entanglement with the U.S.-dominated financial system. By 2015, China's businesses had borrowed over \$1.7 trillion in foreign currency, the largest part of that in dollars, to feed their rampant need for investment finance. This is profitable for everyone involved and widely seen as a harbinger of China's integration into international finance; yet with this new development come new dangers. The actions taken by the Fed to manage the 2008 crisis were underpinned by the remnants of a transatlantic relationship dating back to the end of World War II; given today's fraying transatlantic ties, it is an open question whether it will be able to repeat its efforts on a truly global scale when the next crisis arrives.

Nor is it clear that the Fed will have as much political leeway as it did in 2008. When asked about the politics of the swap lines back then, one Fed veteran who spoke to me on the condition of anonymity remarked that it had been as though the world's central bankers had a guardian angel watching over them on Capitol Hill. Some legislators clearly understood what was going on, but no unhelpful and potentially inflammatory questions were asked, such as whom the billions of dollars flushing through the swap lines would ultimately benefit. The Fed had *carte blanche* to do what was necessary. Given what has since emerged about the scale of its actions, the shift in the political climate in the United States, and the likelihood that the next crisis will be in the emerging markets, and quite possibly in China, it may take more than a guardian angel to save the global economy next time. 🌐

# REVIEWS & RESPONSES



*The New Deal  
was made possible by  
an alliance between  
progressive reformers and  
white supremacists.  
—Suzanne Berger*

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# Brand New Left, Same Old Problems

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## What Populism Can and Can't Achieve

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*Suzanne Berger*

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*Can Democracy Survive Global Capitalism?*  
BY ROBERT KUTTNER. Norton, 2018,  
384 pp.

**G**lobalization's friends are fast defecting. Some economists who once extolled the virtues of free trade and the free flow of capital now point out that globalization has brought smaller gains than were once claimed, while destroying working-class jobs and communities. The American public's views of foreign trade have grown more positive as the U.S. economy has recovered from the Great Recession, but in 2014, according to a poll by the Pew Research Center, only 20 percent of Americans thought that trade created new jobs, and just 17 percent believed that it raised wages. A populist anti-trade backlash is in full swing.

As globalization's defenders retreat from the field, a different vision has emerged of how to achieve prosperity. On both the left and the right, economic nationalism has returned. Both camps

hark back to a supposed U.S. golden age, when well-guarded borders kept out foreign goods, services, money, and people that would otherwise have disrupted national well-being. For U.S. President Donald Trump and his advisers, the slogan "Make America Great Again" captures the sentiment, even if the precise moment in history to which they want to return is left unspecified. For thinkers on the left, the golden age started with the New Deal reforms of the 1930s and lasted until the 1960s. Over this period, the economy and society of the United States were structured by the policies and institutions of the New Deal.

Robert Kuttner's *Can Democracy Survive Global Capitalism?* is the latest in a stream of works that see the New Deal as proof that government can tame the kind of unregulated capitalism that today has led to vast inequality in wealth and income, a collapse of social mobility, and a climate of insecurity. The history of the Roosevelt administration's response to the Great Depression, in Kuttner's account, shows that societies can strike a better balance between capitalism, equality, and democracy.

Kuttner's criticism of modern inequality hits its mark, but the solutions he proposes rely on an incomplete account of the history of the New Deal, which was built on a coalition of disparate interests. When that alliance broke down, the economic compact forged by the New Deal died with it. Today's progressives will have to build new coalitions to ensure that globalization and social advances once again go hand in hand.

### HOW THE NEW DEAL HAPPENED

In his account of the New Deal, Kuttner focuses particularly on the Glass-Steagall

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**SUZANNE BERGER** is Raphael Dorman-Helen Starbuck Professor of Political Science at the Massachusetts Institute of Technology.



Act of 1933, which separated commercial banking from investment banking and sharply reduced the economic risks that arise from unregulated financial markets. He also emphasizes the importance of federal support for labor through legislation on collective bargaining and job creation. He argues that these policies were abandoned in the 1970s because of the growing political influence of economic elites—not because the policies themselves were unworkable. At the time, the U.S. economy was plagued by stagflation, that is, high levels of inflation combined with slow economic growth. But Kuttner claims that dealing with it need not have spelled the end of egalitarian capitalism. He writes,

The shift back to radical laissez-faire—neoliberalism—was not required by the economic circumstances. Neither was the full deregulation of finance, nor the enforcement of austerity, nor the use of trade rules to further undermine domestic managed capitalism, nor the indulgence of globalized and systematic tax evasion.

Since the demise of the New Deal was not inevitable, Kuttner argues, the United States should bring it back. The same policies that combined growth with equality back then are desirable today, he suggests, albeit with some updating.

Kuttner's powerful indictment of today's inequality and the dangers it poses to democracy is on target, but his proposed solutions rely on too simple an account of the politics that made the New Deal possible. He sees politics as a contest between "the people" and a unitary "elite," a characterization common to populists on the left and the right. To account for the success of the New

Deal, he points to "inspired leadership backed by the power of mass movements." He recognizes that contingent events turned out in the New Deal's favor, but what mattered most, he writes, was the mobilization of labor, which empowered the state to regulate finance and to push back against the interests of capital. Yet the coalitions that underpinned the New Deal reforms were far more complicated and morally fraught than Kuttner acknowledges.

The New Deal was built on compromise. Although Kuttner does not pay much attention to these bargains, they were critical in getting New Deal legislation through Congress. Analyzing the coalitions behind them is essential for understanding both how the New Deal was possible and how it fell apart. As the political scientist Ira Katznelson argues in his 2013 study of the politics of the New Deal, *Fear Itself*, the key legislation could never have passed without the votes of segregationist southern Democrats, who controlled crucial committees in Congress. To win those votes, northern and western Democrats had to accept the South's white supremacist racial system: they agreed that new federal programs would maintain and reinforce segregation. Yet the coalition that supported New Deal reforms fell apart once southern Democrats came to believe that the New Deal had yielded too much power to organized labor and had done too much to promote federal power. Ultimately, it was a backlash against the civil rights movement and civil rights legislation, not globalization or neoliberalism, that dealt the final blows to New Deal politics.

Most democratic compromises are not as morally troubling as the one

between southern Democrats and northern and western Democrats in the 1930s. But Kuttner misses the diversity of interests that have to be accommodated within any democratic strategy for political and economic reform. His view of political reform as a struggle between “the people” and “the elite” has much in common with the views of right-wing populists. Kuttner is at great pains to distinguish his “progressive” populism from what he calls “neofascist” or “reactionary” populism, and his understanding of Americans and their interests and ideals differs in some radical ways from the former Trump strategist Steve Bannon’s conception of “true” Americans as exclusively Judeo-Christian whites. But by giving the compromises behind the New Deal such minimal treatment, Kuttner downplays the extent to which the politics behind the New Deal required coalitions of partners with different, even contradictory, interests.

### UNLIKELY ALLIANCES

The kind of alliance between progressive reformers and white supremacists that made the New Deal possible is no longer an acceptable one. But tackling inequality, lack of opportunity, and the risks posed by unrestrained financial markets will once again require those on the left to make uncomfortable partnerships. Leaders will have to form coalitions that bring together both those who benefit from globalization and technological change and those who have lost out and now demand greater equality within the United States.

The first period of sustained globalization, from 1871 to 1914, offers several strong precedents for such coalitions. In the United Kingdom, free trade enjoyed

strong support both from businesses and from working-class associations, who saw it as lowering the cost of food in workers’ budgets. In Belgium, socialists and trade unionists agreed to support lower tariffs in exchange for business commitments on social policy and limits on imports from low-wage countries. And in the United States, as the political scientist Adam Dean has shown in his 2016 book, *From Conflict to Coalition*, when employers accepted wage agreements that shared a proportion of the company’s profits with workers, the unions allied with the employers on trade.

Kuttner rejects the idea that such deals could open up a path to reform. His vision is a different one: to restore public power and constrain capitalism with a strategy of “progressive populism,” which he defines as a “public that is in a high state of democratic mobilization.” He discounts even those compromises that might be made between progressives and moderate Democrats who try to appeal to crossover Republicans: “Pro-corporate Democrats can and do get elected with such views—but why bother?”

To Kuttner, the ultimate sin of globalization is that it undermines democracy by limiting national regulation of the economy. But like both left-wing economic nationalists and their right-wing counterparts, he fails to articulate a vision of an international economic order that would serve U.S. interests and win the support it would need from other countries in order to succeed. Left-wing economic nationalists such as Kuttner often point to the 1944 Bretton Woods agreement on trade, monetary relations, and capital mobility as a model for a reimagined international economic system.

Under the Bretton Woods system, national governments retained control over the movement of capital across their borders. The agreement provided for both a reserve currency, the U.S. dollar, to which other currencies within the system were pegged, and an international mechanism to extend loans to countries running deficits in their balances of payments. As a result, the system allowed governments that were rebuilding their economies after World War II to support domestic industries without worrying that the spending would cause the kinds of debt crises that had plagued the world under the gold standard, which linked each currency's value to that of gold. Democratic accountability is effective only within national borders, so populists prize the latitude that the Bretton Woods system gave governments to regulate the flow of goods and capital. They argue that the neoliberal "Washington consensus" of the 1980s and 1990s, which replaced the Bretton Woods system and which supported the unrestricted movement of capital and far freer trade, has degraded democratic governance.

Yet many populists miss that the Bretton Woods system worked as well as it did and for as long as it did thanks only to the United States' exceptional dominance of the global economy. As other industrial powers recovered from World War II, the United States' over-size economic influence was bound to diminish. During the Cold War, moreover, U.S. policies contributed to the rise of the United States' future trade rivals. Preventing the spread of communism meant stimulating economic recovery in the countries of Western

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Europe and East Asia. If Washington allowed these countries to export to the United States without fully opening their own borders to U.S. goods, services, and capital, it reflected a determination to prevent the growth of pro-communist forces there, rather than a naive devotion to free trade. Political economists still debate whether it was these market-based policies that accounted for the transformations of Hong Kong, Japan, South Korea, and Taiwan into advanced economies or whether state backing for industry was more important. But it's difficult to deny that exporting goods to rich countries has so far proved the only strategy for transforming some of the poorest countries on earth into some of the richest.

The case for globalization rests not only on its economic benefits, which may have been overstated, but also on its political upside, which has been largely overlooked. Economic nationalism means a politics focused on borders. As the current escalating trade war between the United States and both China and the EU shows, trade hostilities risk spilling over into many other areas, such as military cooperation and scientific collaboration.

The political benefits of relatively open borders were key to the support that socialist and trade-union movements provided for the first wave of globalization. Back then, those on the left saw that their conservative and nationalist foes on domestic issues were also profiting from economic protectionism. They recognized that protectionism tends to suppress competition at home without providing any new ways for the public or government to hold big businesses accountable.

The concerns that today's populists express about a race to the bottom in an open global economy are valid, but history shows that all the gains need not go to the very top. During the late nineteenth and early twentieth centuries, countries across the advanced industrial world expanded social welfare programs and citizens' rights. Pressure from left-wing parties and unions forced governments to link, however partially, the lowering of border controls to social and economic advances for broad swaths of society. Yet during the current wave of globalization, left-wing groups have failed to build new coalitions to ensure that the gains are broadly shared. The left needs to rediscover the art of coalition building that once allowed it to combine globalization with social progress. 🌐



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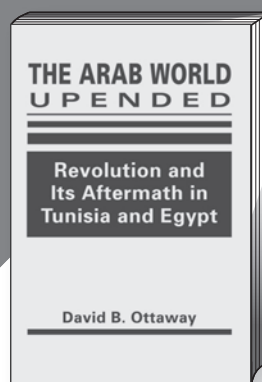


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# Muslim Brothers

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## The Rivalry That Shaped Modern Egypt

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*Shadi Hamid*

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*Making the Arab World: Nasser, Qutb, and the Clash That Shaped the Middle East*  
BY FAWAZ GERGES. Princeton University Press, 2018, 483 pp.

Seven years since the heady days of early 2011, when massive, electrifying protests brought down the Egyptian dictator Hosni Mubarak, the political atmosphere in Egypt has turned somber. In 2013, General Abdel Fattah el-Sisi overthrew President Mohamed Morsi, a leader of the Muslim Brotherhood who had narrowly won Egypt's first free presidential election the prior year. Since seizing power, Sisi has emptied the country of any real politics. His crack-down against the Muslim Brotherhood has been particularly brutal: he has jailed tens of thousands of Brothers, and designated the group a terrorist organization. On the regional stage, Egypt has found itself relegated to second-tier status. What was once the center of the Arab world today feels like a ghost of its former self.

In this environment, it is easy to forget that for much of the twentieth century, Egypt was the most consequential battle-

ground in the struggle for the soul of the new Arab state. Following the formal dissolution of the Ottoman caliphate, in 1924, new ideologies and approaches to governing competed to fill the vacuum. In the 1930s and 1940s, during Egypt's so-called liberal era, secularists, socialists, and Islamists vied for legitimacy in a chaotic but relatively free political atmosphere. The freedom did not last. In 1952, a clandestine cohort of young military officers led by a man named Gamal Abdel Nasser overthrew the Egyptian monarchy and eventually ended what little was left of Egypt's liberal age.

Nasser's revolution marked a watershed moment in Egypt's modern era. At its outset, the dueling ideologies of Islamism and secular nationalism were uncertain and still in flux. But they would soon come to define the seemingly intractable political conflict within not just Egypt but also the broader Arab world. In the 1950s and 1960s, the contest played out in part through the bitter rivalry between two of the period's most memorable personalities: Nasser, on the one hand, and the famed Muslim Brotherhood ideologue Sayyid Qutb, on the other.

In *Making the Arab World*, Fawaz Gerger traces the intertwining biographies and intellectual trajectories of these two titans of Egyptian history. The result is a fascinating and deeply researched revisionist history—one that sheds light on the forces still roiling in Egypt under the surface calm of Sisi's rule. Today, Nasser and Qutb are remembered as representatives of opposing visions for Egypt. Gerger, however, tells a far more interesting and complicated story about the relationship between the two men and the movements they helped shape.

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*Enemy of the state: Sayyid Qutb, 1966*

Behind their competing ideologies were flawed individuals with complex and sometimes contradictory motivations. Gerges' reexamination of a crucial period in Egyptian history usefully illustrates how all ideologies—even the ones that seem most fixed and unyielding—are in fact fluid and contingent on events.

### KINDRED SPIRITS

Nasser was born to a working-class family in Alexandria in 1918. He became politically active as a young boy and traced the roots of his Egyptian nationalist sentiments to a protest he accidentally stumbled into as a 12-year-old. His political leanings later drew him to a career in the military, an institution he viewed "as a spearhead that could awaken Egypt's population from its malaise and subservience to foreigners," Gerges writes.

Nasser was always a nationalist, but he was also, in effect, an Islamist. He

became a member of the Muslim Brotherhood in 1947, a Sunni Islamist organization founded in Egypt by Hasan al-Banna in 1928 and that eventually spread throughout the Middle East. Nasser quickly grew frustrated with the Brotherhood on a personal level, but he continued to collaborate closely with its leadership for several more years. He rightly viewed the organization as a powerful social and political force in Egypt and therefore as a critical ally.

Nasser's critiques of the Egyptian government intensified during his time in the military, and he eventually came to believe that the British-backed monarchy needed to be overthrown. Throughout the 1940s, he assembled a cadre of like-minded young military officers, officially naming them the Free Officers in 1949. In 1952, Nasser and the Free Officers ousted the sitting monarch,

King Farouk, and took control of Egypt. The coup, which the Muslim Brotherhood supported, was bloodless and provoked almost no resistance.

At the same time, Qutb, a literary critic and public intellectual, was rising in prominence. Qutb was born in 1906 in the village of Musha, in Upper Egypt. Like Nasser, he was a voracious reader and was politically engaged from an early age. As a young man, he became a prolific writer but resented the fact that he never achieved the status or fame of some of his mentors. Like many writers at the time, he was also a civil servant, working at the Ministry of Education. From 1948 to 1950, he studied in the United States, including at the Colorado State College of Education (now the University of Northern Colorado), in Greeley, Colorado, where he developed a deep distaste for American culture that translated into a lifelong intellectual critique of the West.

By then, Qutb had already begun delving into Islamic themes, publishing the influential work *Social Justice in Islam* in 1949. When he returned to Egypt, he began gravitating toward the Brotherhood, although he wouldn't formally join the movement until 1954. Politically, he shared Nasser's hatred of colonialism and frustration with the Egyptian monarchy and fully supported the Free Officers in their takeover. In the early days of the revolution, the two men consulted frequently about their vision for a post-monarchist Egypt. Qutb even briefly served as secretary-general of the Liberation Rally, the government's mass mobilization and propaganda arm. But soon after the revolution, a rift began to form, as Qutb grew disillusioned with Nasser and was passed

over for a cabinet position. Nasser, meanwhile, came to see the Brothers as opportunistic and hungry for power—at his expense. In 1954, after a failed assassination attempt that Gerges attributes to rogue Brotherhood members, Nasser cracked down violently on the group, jailing thousands of Brothers and dismantling the organization. The highest-profile target was Qutb himself, who was executed in 1966.

### THE ROOTS OF A RIVALRY

Nasser and Qutb saw themselves as singular, historical figures, on whom Egypt's destiny depended. Gerges shows that for both men, delusions of grandeur, personal affronts, and the temptations of power often took precedence over ideological or religious considerations. Drawing on a wealth of primary resources, including illuminating interviews with the few surviving confidants of both men, Gerges persuasively argues that these friends turned enemies overlapped both personally and ideologically more than is generally acknowledged.

Gerges' account adds considerable color to the story of Nasser's involvement with the Muslim Brotherhood, which was hardly a secret but has received relatively little attention from historians. In an interview with Gerges, Farid Abdel Khaleq, a close aide to Banna, the Brotherhood's founder, recounts that Nasser "trained [Brotherhood] youth on how to use firearms. I saw him with my own eyes." Khaled Mohieddin, a Free Officer and one of Nasser's closest associates, recalls that Nasser was "ecstatic" about joining the Brotherhood's secret paramilitary wing, the Special Apparatus. Nasser's youthful membership in the Brotherhood helps explain the group's



subsequent enmity toward him. Many leading Brotherhood figures, including Qutb, believed that Nasser's refusal to share power with the Brotherhood, and his later violence toward them, was all the more abhorrent because it was a personal betrayal of his *bayah* (oath of allegiance) to Banna.

Nasser, for his part, originally saw Qutb as a kindred spirit who transcended the typical political or ideological categories of the time. Pointing to a flurry of impassioned but largely forgotten articles that Qutb wrote in 1952, Gerges notes that he was "one of the first writers to lend legitimacy to the [Nasser-led] coup by calling it a 'revolution.'" He also agitated for a "just" military dictatorship, a ban on political parties, and a suspension of the liberal constitutional order. In one such article, Qutb publicly expressed support for Nasser and the Free Officers, proclaiming, "In the name of millions, we will not allow you to return to the barracks because your mission is not over yet and your duty is to complete it."

Nasser and Qutb represent two prominent examples of the sort of ideological promiscuity that may seem surprising in the context of today's Egypt but was once commonplace. Until Nasser launched his fateful crackdown against the Brotherhood, there was a rich fluidity to Egyptian political life that was made possible by the relative openness of the liberal moment. In the organization's early days, some Brotherhood members were simultaneously members of the secular Wafd Party. Nasser's friend Mohieddin was, briefly, both a member of the Brotherhood's Special Apparatus and a Marxist.

Gerges interprets these fluid affiliations to mean that if certain events had

played out differently between 1952 and 1954, the army and the Brotherhood—and, by extension, Nasser and Qutb—might never have become implacable enemies. Gerges locates the break between Nasser and the Brotherhood in the struggle of personalities and power. The sometimes impetuous Nasser and the reserved and uncharismatic Hasan al-Hudaybi, the Brotherhood's general guide (a top official) at this time, grew to hate each other in the years immediately following the revolution. Hudaybi assumed that Nasser would reward the Brotherhood's support for the revolution with a prominent social and political role during the transition. Nasser, meanwhile, increasingly saw the Brotherhood, the country's largest mass movement, as the only real threat to his power and his mounting ambition.

Gerges presents possible counterfactuals. Had the Brotherhood and Nasser chosen other paths, he writes, "the structure and identity of the state would have been substantially different; it might well have been less intrusive, authoritarian, and deep." It is tempting to play out some alternative scenarios. Perhaps Nasser would not have sent Brothers to prison, labor camps, and the gallows. And if Qutb hadn't witnessed the torture in Nasser's dungeons, he might not have formulated the idea of *takfir*—the practice of declaring other Muslims to be disbelievers—which inspired a generation of religious extremists. In other words, the struggle between secularists and Islamists, which has shaped the blood-soaked recent history of the Middle East, was never foreordained.

To my knowledge, there is no one who predicted in 1952 that Nasser would soon move against the Muslim Brotherhood and become obsessed with destroying

it. And there is no one who would have dreamed in 1950 that Qutb would morph from a middling and rather secular literary critic to become one of the century's most important Islamist theorists. At the time, history must have seemed wide open and even hopeful.

As history moves on, however, options become closed off. "My friend, Nasser," says Mohieddin, "could have ended up a religious nationalist [like the Brothers] as opposed to a pan-Arab nationalist." Nasser and Qutb could have made different decisions. But how likely is it that they could have ever really remained on the same side? Qutb supported military dictatorship, but only because he believed that the army was the best vehicle for radical change and that the country's military was the only actor capable of doing away with the old regime and paving the way for an Islamic order. Nasser may have been part of the Brotherhood, but there is little evidence that he developed strong feelings about applying Islamic law one way or the other. It was only later in his life that he became skeptical of Islam playing too central a role in public life. Nasser's growing distrust of Brotherhood leaders after the revolution pushed him to be more anti-Islamist and strictly nationalist than he might otherwise have been. But this sequence of events doesn't make his commitments, which evolved in a secular and socialist direction, any less legitimate or sincere. After all, ideologies depend just as much on what they aren't as on what they are.

## PAST AS PRELUDE

Islamism in Egypt began to cohere only after it had identified its enemies. The Brotherhood, particularly the now

octogenarian members who knew Qutb in prison, have never forgotten Nasser's brutal crackdown, which is known in Brotherhood lore as the *mihna*: "the ordeal." Decades later, having suffered in Nasser's jails provides a key source of legitimacy for members of the movement's old guard. To suffer is to lead.

The *mihna* indelibly marked the Brotherhood's approach, which to this day prioritizes self-preservation above all else—although the group has arguably failed to achieve even that narrow goal. In the tense months leading up to the 2013 coup that deposed Morsi, one Brotherhood official told me that the movement had "returned to the mentality of the *mihna*." That mindset may have allowed the Brotherhood to survive under the repression of Nasser and his successors. But it did not serve the group well during Egypt's short-lived democratic experiment from 2011 to 2013, when it took refuge in paranoia and insularity. In conversations I have had with Brotherhood "reformists," they have pointed to a Qutbist wing in the organization that constantly works to block new ideas and resist organizational reforms. The current (and imprisoned) general guide of the movement, Mohamed Badie, for example, was a member of Qutb's so-called Secret Organization as a university student in the 1960s.

But this way of understanding the Brotherhood today has its limits. The group's older leaders are indeed deeply conservative, secretive, and suspicious of outsiders, but they are at odds with Qutb's own theory of change. They have been firm proponents of gradualism and patience in the face of suffering and are the ones most inclined to cut a deal with the military. Many of the Brotherhood's

younger activists, who came of age not during the *mihna* but during the revolt that brought down Mubarak in 2011, have bristled at what they see as the old guard's timidity. Asmaa Shokr, a journalist and former Brotherhood official in her 30s, was present at the August 14, 2013, massacre, during which the Egyptian military and security forces killed close to a thousand Brotherhood supporters who were occupying Rabaa al-Adawiya Square, in Cairo. On that day, she told me, she watched as a protester tried to torch a car but was reprimanded by one of the group's older leaders. "I was shocked," she said. "Your children are dying in front of you, and you care about a car?"

Qutb had little interest in peaceful protest. He was both a radical and a revolutionary who believed in pursuing change through dramatic action—including violence—carried out by a small vanguard. As long as the vanguard remained uncompromising in its commitment to God and the Koran, Qutb attested, it would succeed where mass politics and parliamentary democracy would fail.

Qutb's vanguard model is well known for inspiring extremist organizations. It has gone into temporary decline, however, because of the failure of the Islamic State (also known as ISIS) to hold on to territory in Iraq and Syria. The state of Brotherhood-style mass Islamism, on the other hand, is harder to assess, even as tens of thousands of members of the Egyptian Brotherhood languish in prison or exile. Today's Islamism may appear weak in organizational terms, but it remains resilient in ideological ones.

In a perfect world, ideologies could be undone long after the fact, and politics

in Egypt could be released from what began as an artificial and ambiguous divide between Islamists and nationalists. But all kinds of divides that begin artificially—think borders, the nation-state, or even Shiite-Sunni sectarianism—become invested with meaning and permanence over time. The ideas that Nasser and Qutb professed might have been manufactured and employed for the purposes of power, but that doesn't make them less consequential to real people many decades later.

Nasser and Qutb were both obsessed with power, but neither believed in power simply for its own sake. Each hoped to use his power to reshape Egypt. Their experiences support two propositions that are sometimes in tension: that ideas are fluid and forged in particular historical moments, and that they persist, they matter, and they can have tremendous human costs.

The ideological currents unleashed by Nasser and Qutb are now part of the fabric of the modern Middle East. The struggle between their inheritors continues, and one side is not likely to conclusively defeat the other. But that won't stop partisans, ideologues, and autocrats from continuing to try. The Egyptian regime, for example, remains determined to crush the Brotherhood, believing that it can do today what it could not do before. For this unfortunate reason, *Making the Arab World*—and its story of two impassioned, sincere, and reckless men—serves not just as an account of why one revolution went wrong in Egypt's past but also as a warning that, for Egypt as well as the rest of the region, some of the worst may be yet to come. 🌐

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# Good Fences Make Good Politics

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## Immigration and the Future of the West

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*Eric Kaufmann*

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*Go Back to Where You Came From: The Backlash Against Immigration and the Fate of Western Democracy*

BY SASHA POLAKOW-SURANSKY.  
Nation Books, 2017, 369 pp.

**T**he rise of right-wing populism in the West is the story of our time. In the United States and western Europe, recent years have seen antiestablishment parties and candidates win unprecedented electoral victories by casting themselves as defenders of their nations against the twin threats posed by foreigners and a corrupt elite. The two major shocks to the international order in recent years—Brexit and the election of Donald Trump as U.S. president—were both manifestations of this larger trend.

The populist story is primarily one of culture and identity, in particular the fear among white voters across the West that their cultures and identities are under threat. The current populist wave began with the 2014 elections to the European Parliament, in which the Danish People's

Party, France's National Front, and the UK Independence Party (UKIP), all right-wing populist parties, came in first in their respective countries—results driven in part by a significant increase, beginning in 2012, in the number of Afghans, Iraqis, and Syrians seeking asylum in the EU. Then came the 2015 migrant crisis, when more than one million immigrants and refugees, most of them Muslim, entered Europe.

The migrant crisis was a boon for right-wing populists. In 2015, Trump, then the Republican nominee for U.S. president, took a hard line on Syrian refugees and promised a “total and complete shutdown” of Muslim immigration. In 2016, Nigel Farage, the leader of UKIP, used a poster featuring a column of marching refugees to warn Britons what lay in store if they failed to leave the EU. That same year, Norbert Hofer of Austria's far-right Freedom Party nearly won the presidency after running on an openly nativistic platform. Almost everywhere, right-wing populist parties received record numbers of votes and forced parties in the center to tack right on immigration and Islam.

Despite the momentous impact of this populist revolt, public discussion of it has been mired in confusion. The rise of populism stems, first and foremost, from ethnocultural anxiety. Members of the majority populations of the West fear an erosion of the connection between their communities of shared ancestry and their perceived homelands: consider ethnic Germans who feel that their country is becoming “un-German.” The Western establishment, however, has convinced itself that populist voters are those left behind by globalization—struggling members of the white working class who

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resent wealthy, cosmopolitan elites and long for the days of well-paying factory jobs and lifetime employment. This is a comforting illusion for mainstream parties, since it means that traditional economic policies, such as redistribution and job growth, would be sufficient to restore the status quo ante.

Right-wing populists, for their part, have been unwilling to admit that their appeal is primarily ethnocultural for fear that this would invite accusations of racism. Instead, they have dressed their voters' concerns up as a morality play: here a plucky Robin Hood poking the eye of the establishment, there a fight to wrest British sovereignty back from Brussels. On both the left and the right, all have colluded in propping up the falsehood that populism is mainly about disparities of wealth and power. Journalists and academics should know better, but many of them have joined in, as well.

Among those cutting through the fog is the American journalist Sasha Polakow-Suransky, whose recent book, *Go Back to Where You Came From*, is a timely and honest analysis of the rise of the populist right in the context of immigration and Muslim integration. Pieced together from more than 100 interviews conducted in Australia, South Africa, and four European countries, *Go Back to Where You Came From* persuasively demonstrates that public concern over immigration and integration—and the perception that elites are sidestepping the issue—accounts for the rise of right-wing populism in northwestern Europe. Policymakers must listen sympathetically to popular concerns, Polakow-Suransky argues, but they should nonetheless maintain generous immigration levels and explain to people why their worries are misplaced. Unfortunately, a

very similar formula produced the populist upsurge in the first place, which is why European politicians have wisely begun to abandon it.

### THE POPULIST WAVE

Although populism is a force in nearly every Western country today, *Go Back to Where You Came From* concentrates on Denmark, France, and the Netherlands, with a minor focus on Germany. These cases share several important characteristics. All have recently seen right-wing populist parties and candidates garner between 12 and 35 percent of the vote. All were affected by the 2015 migrant crisis. All are immigrant-receiving countries with substantial Muslim minorities, and so tensions around Islam loom larger in them than in the United Kingdom, where eastern European immigration and opposition to the EU have been the chief issues for populists, or the United States, where Hispanic immigration, legal and illegal, is more salient. Polakow-Suransky approaches his subject with a wide lens, speaking with academics, immigrants, politicians, activists, and intellectuals from across the political spectrum.

A distinguishing feature of the book is the attention it pays to the splits opened up by immigration within the European left. Rather than cleanly separating left from right, immigration divides globalists, culturally cosmopolitan and supportive of the free movement of people, from nationalists, who privilege the cultural boundaries and character of nation-states. In the United States, this globalist-nationalist cleavage maps neatly onto the gap between Democrats and Republicans, with few of the former embracing the anti-immigration cause. But in

Europe, where the ethnic majority in each country makes up a proportionally larger part of the electorate, the nationalist, white working class remains a crucial part of left-wing coalitions.

Economic progressives have had only limited success in dealing with the resulting tensions. Over the last three decades, the northern European left has moved in a liberal direction on cultural issues while abandoning redistributive economic policies in a bid to court university-educated, cosmopolitan liberals—those dubbed “Anywheres” by the British writer David Goodhart. During the 1990s, Polakow-Suransky writes, “the focus of activism on the left shifted dramatically from economic equality to identity,” opening up a space for the populist right to appeal to the white working class on ethnocultural grounds. But as working-class voters have defected to the right, the Anywheres have not made up the shortfall, leading to a steady decline in support for the center-left.

One of the left-wing parties managing to stanch the bleeding is Denmark’s Social Democracy. Badly stung by the right-wing populist Danish People’s Party in the 2001 elections, it gradually shelved its multicultural celebration of difference and came to favor reduced immigration, going so far as to support a controversial 2016 law allowing the government to confiscate valuables from asylum seekers. This shift was backed by Social Democratic mayors from the satellite towns around Copenhagen, who in the 1990s had begun warning their party about the potential downsides to immigration: namely, that poor newcomers could overburden the welfare state and undermine the social trust on which it depends. Polakow-Suransky quotes one such

mayor, Thomas Gyldal Petersen, chiding his party’s cosmopolitan wing for being out of touch: “They don’t understand that with free immigration we are letting down the people who live here, and mainly the poor.”

Although right-wing populists enjoyed only limited electoral support throughout the first decade of the current century, they were able to shift policy in their direction as mainstream parties sought to woo their voters. Already by the 1990s, however, right-wing populists had begun to try a new approach, one that sowed the seeds of their current popularity. They abandoned their former advocacy of free markets in favor of what scholars refer to as “welfare chauvinism”—a promise to protect the welfare state, but only for the “deserving,” a category that largely excluded immigrants and Muslims. This was combined with a new form of hostility to Islam designed to burnish the populist right’s liberal bona fides: although their voters were generally driven by ethnocultural concerns, populist parties began to make the more respectable argument that because Islam was intolerant of gay people, Jews, secularists, and women, only a hard anti-Islamic stance could protect Europe’s liberal values.

Events also helped. The 2004 murder of the Dutch filmmaker Theo van Gogh by a Dutch Moroccan Islamist radicalized public opinion in the Netherlands and gave oxygen to Geert Wilders, the leader of the right-wing populist Party for Freedom. In late 2005, the Danish newspaper *Jyllands-Posten* published a series of cartoons featuring the Prophet Muhammad, which led to mass protests in the Muslim world, death threats against the cartoonists, and heated discussions

of the Islamic threat to free speech. Danes rallied to the paper's defense. In France, meanwhile, a spate of Islamist terrorist attacks, including the January 2015 murder of 12 people at the headquarters of the magazine *Charlie Hebdo*, the November 2015 massacre at the Bataclan theater, and the July 2016 truck attack in Nice, have kept Islam in the spotlight.

It is in his examination of contemporary France that Polakow-Suransky's book really shines. With the largest Muslim population in western Europe, France has long been concerned about integration and identity. The question of whether headscarves could be worn in public schools surfaced in 1989, and during the 1990s, a series of center-left intellectuals—many of them Jewish—shifted to the right on questions of immigration and integration. Polakow-Suransky nicely weaves this bit of intellectual history into his story, focusing on high-profile figures such as the philosophers Alain Finkielkraut and Pascal Bruckner.

Many left-wing critics have compared contemporary French Islamophobia with the anti-Semitism of fin-de-siècle Europe, yet Finkielkraut, himself a child of Polish Jewish Holocaust survivors, rejects these comparisons. "There was no Jewish jihadism," he tells Polakow-Suransky. The Jews "were absolutely peaceful" and "came to France with a feeling of gratitude and intense love," whereas Muslims, in his view, are attacking the citizens and institutions of their host country. Finkielkraut believes that the threat to Jews is greater from the left than from the right, because the former would open the country up to greater Islamic influence. And although French



anti-Semitism has traditionally been associated with the far right, Marine Le Pen, the leader of the National Front, has undertaken a charm offensive to gain the favor of liberals, gay people, and Jews, thus helping detoxify her party and unite elements of the old left behind her.

One of the most original parts of the book is its insight into the new intellectual ferment in France involving so-called identitarians—activists seeking to protect the ethnic-majority character of European nation-states. Books by identitarian writers lamenting the decline of the French ethnic majority, including Renaud Camus' *Le grand remplacement* (The Great Replacement) and Éric Zemmour's *Le suicide français* (The French Suicide), have been highly influential, with the latter selling over 500,000 copies. As Polakow-Suransky relates, "The ideology of the moment is nativist nostalgia," and figures such as Zemmour, an Algerian Jew, give a pass to white French people to express their displeasure at the country's rising diversity.

Yet a rejection of multiculturalism and skepticism toward Islam are not limited to the right-wing fringe: they have begun to reshape policy in the center, as well. In 2005, for instance, Nicolas Sarkozy, then France's minister of the interior, referred to the largely Muslim rioters in Paris' *banlieues*, the city's immigrant-heavy suburbs, as "scum." And in 2006, in what seemed like a thinly disguised bid to discourage conservative Muslims from coming to the Netherlands, the Dutch government released a video for prospective immigrants that featured gay couples kissing and topless women. In Germany, where the country's troubled past has traditionally allowed more space for difference, Chancellor Angela Merkel

declared in 2010 that *multikulti* had "failed, utterly failed." Even French President Emmanuel Macron, a darling of Western liberals because of his antinationalist rhetoric, has tightened immigration rules, endorsed plans to process asylum claims in Libya, and spoken of immigration as something that France will have to "endure."

## MORE OF THE SAME

Polakow-Suransky appears to accept the case made by centrist liberals, such as the British writers Kenan Malik and Nick Cohen, that Western progressives suffer from a politically correct blind spot: although vigilant against the radical and racist portions of the right, they have repeatedly failed to criticize brown-skinned ideological extremists, such as those who called for the novelist Salman Rushdie to be killed or advocated violence in response to the Danish cartoons.

Yet he also takes care to alert the reader to the difficulties of being a Muslim in Europe. Treated as outsiders even if native-born, many face barriers in the labor market and social discrimination, such as informal quotas at nightclubs. Although he accepts the importance of legitimate criticism of Islam, Polakow-Suransky argues that the innocent mass of Muslims are often tarred with the same brush: that of terrorism and criminality.

Polakow-Suransky recognizes that the rise of right-wing populism is a product of mainstream failures. But he worries that populist success poses a danger to liberal democracy and could, down the road, produce a return to the ugliness of the 1930s, as immigrants and minorities are deprived of their rights. Although he takes the left to task for rejecting populist voters as irrational, he argues



that one can listen to working-class concerns about the changing ethnic makeup of their neighborhoods while “defeating [populist] ideas by proving they are unrealistic and won’t help people.” He urges mainstream politicians to reject immigration restriction, applauding Merkel’s openness to refugees and Macron’s willingness to decry fear and division. And while he opposes open borders and notes that tribalism is a part of human nature, Polakow-Suransky claims that Bernie Sanders’ presidential campaign in the United States showed that politicians can “attract millions of working-class voters almost entirely based on economic appeals.”

Polakow-Suransky is right that politicians should take care not to smear particular faiths or ethnic groups. Measures that ban Islamic dress, such as France’s prohibition of the burqa, violate freedom of religion, and there is a serious problem of discrimination against Muslims in Europe. It is also necessary to preserve norms against Islamophobia: critics of contemporary populism are right to point out that the broad stigmatization of an out-group represents a link to Europe’s anti-Semitic past. The same cannot be said for opposition to immigration, which played little part in the rise of fascism between the wars.

In fact, the generous immigration policies that Polakow-Suransky prefers arguably pose a greater threat to democracy than the nativism he denounces. Much of the genius of *Go Back to Where You Came From* lies in showing how the mainstream’s unreserved enthusiasm for immigration empowered the populist right by trying to force unpopular policies on a recalcitrant public. In recent years, however, Europe’s mainstream appears to

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have learned its lesson. In Austria, the Netherlands, and the United Kingdom, the center-right undercut the populist right in 2017 by tightening immigration policies and stressing integration. If another migrant crisis were to occur today, Merkel wouldn't roll out the welcome mat the way she did in 2015—a decision that, however well intentioned, fractured the EU and led to the populist Alternative for Germany becoming the third-largest party in the Bundestag. This adjustment among mainstream politicians should be applauded as a sign of democratic flexibility, not lamented as a capitulation to the forces of evil.

That said, there is room for a liberal critique of the new European status quo. Stereotyping Muslims is inexcusable and should constitute a redline, and Polakow-Suransky rightly points to the breaches of standards of decency that have accompanied governments' attempts to control migration flows, such as Australia's use of offshore detention facilities to house those who have tried to illegally immigrate to the country. Yet his only solution appears to be to let everyone enter, grant them access to due process, and hope this doesn't encourage more to come—an unrealistic outcome, given the enormous economic divide between the northern and southern shores of the Mediterranean. Refugees must be moved out of harm's way more vigorously than they are at present, but as the economist Paul Collier and the political scientist Alexander Betts have argued, the concept of refuge needs to be distinguished from permanent settlement. Refugees deserve to be provided with basic amenities such as food, medicine, safety, and shelter, but refugee status should not

confer the right to citizenship in a Western country. Effacing the distinction increases the risk of doors being closed to refugees the way they were in the 1930s.

Indeed, it is far from clear that the pro-immigration liberalism Polakow-Suransky defends is rational for Europe. The foreign-born population of northwestern Europe is currently around 12 percent, unprecedented in modern history, and the minority share is set to increase markedly. According to the Pew Research Center, Sweden could be as much as 30 percent Muslim by 2050, up from less than four percent in 2000. Such vast changes over a short period of time would cause anxiety in any country. Furthermore, although an economic case can be made for a younger population, what if Europeans are willing to forgo the economic benefits in order to reduce the rate of cultural change and allow for the assimilation of those who have already arrived? It is one thing to shut the door entirely, which signals irrational fear, but turning down the volume of immigration is not the same thing. If voters subsequently decide to prioritize the economy, they can always return to higher levels.

Ironically, it is in his discussion of these fears of cultural change that Polakow-Suransky is most perceptive. He rightly suggests that the rise of a discourse of nostalgia and ethnic replacement points to the true sources of the populist wave. Commenting on his interview with the identitarian author Camus, who waxes lyrically about a lost France that persists only in places such as the southwestern coast, Polakow-Suransky notes that "this same nostalgic vision . . . inspires all of the new right's intellectual beacons." Where he goes wrong is in

implying that these “nativist” impulses should be denied expression in the political system rather than aired and calmly debated.

### **SAFE EUROPEAN HOME**

If neither populism nor Polakow-Suransky’s version of liberalism is likely to solve Europe’s immigration dilemmas, what, then, should policymakers do? A first step would be to approach immigration in the same spirit as tax policy, with the aim of using democratic means to reach a compromise between competing interest groups. Some people will prefer more immigration, and some will prefer less, and the size of these groups is liable to shift over time. Political elites should not declare that one of these positions is off-limits, as it is precisely this strategy that empowered the populists in the first place.

A solution to the problem of populism will also require an open discussion of the future of Europe’s ethnic majorities. Too often, identities such as French or German are dismissed as social constructions, ignoring the very real sense of meaning they provide and overestimating the ease with which people can be induced to abandon them. The particularities of these ethnic groups marked the character of the nations they gave birth to, providing them with their languages, myths, and traditions. The drive to construct inclusive nations has sought to sideline ethnic majorities, but in doing so, it has only made majority ethnic identities more salient for conservatives. When whiteness, Christianity, and images of rural France are excised from the country’s symbolic pantheon—as they must be in a diverse society—the white French who are attached to them come to realize that

they are not coextensive with the nation but an ethnic group like any other.

The populist wave is a product of a convulsion, in which the shrinking demographic weight of the West’s ethnic majorities has caused many people to fear they are losing their collective existence. Their identity crisis has been exacerbated by advocates of immigration and multiculturalism, who have often framed the disappearance of majority cultures as something to be celebrated in the name of change and diversity. The solution is neither to dismiss these concerns as racist—which only increases right-wing populist support—nor to promise, as the populists do, that the clock can be turned back to a time of more homogeneity. Rather, advocates of immigration should focus on telling conservative whites positive, true stories of intermarriage and voluntary assimilation—stories that reduce the appeal of the populist right. The anxiety gnawing at Europe and the West can be alleviated only by offering ethnic majorities a future in which their identities—their myths of ancestry, communal consciousness, and traditions—persist as majority (or at least plurality) elements of society.🌐

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## Recent Books

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### Political and Legal

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*G. John Ikenberry*

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*The Road to Unfreedom: Russia, Europe, America*

BY TIMOTHY SNYDER. Tim Duggan Books, 2018, 368 pp.

*The People vs. Democracy: Why Our Freedom Is in Danger and How to Save It*

BY YASCHA MOUNK. Harvard University Press, 2018, 400 pp.

**O**f all the books that seek to explain the current crisis of Western liberal democracy, none is more eloquent or more frightening than Snyder's *The Road to Unfreedom*. In an earlier book, *Bloodlands*, Snyder told the story of Nazi and Soviet genocidal violence in eastern Europe in the 1930s and 1940s. In his new work, Snyder argues that fascism and authoritarianism have returned in new and subtler guises. For Snyder, the primary threat comes from Russia's ideological challenge to the West. The West's grand vision is built on Enlightenment ideas and a belief in the inevitable spread of liberal democracy. Snyder argues that this "politics of inevitability" has collapsed, opening the door to Russian President Vladimir Putin's "politics of eternity," a project in which illiberal states perpetuate themselves by manufacturing enemies, stoking grievances, manipulating the truth, and undermining foreign countries that offer alternative ideals to their citizens. Snyder's lyrical prose gives the book its

emotional power. What is missing is a sense of what stands in opposition to this illiberal onslaught. What political and ideological tools can the liberal democratic world use to resist the politics of eternity?

Mounk provides an equally disturbing account of the decline of liberal democracy, but he traces the source of the crisis to the West itself. The extraordinary success of Western liberal democracies in the postwar decades created an illusion that liberalism (human rights and the rule of law) and democracy (rule by the people) could easily coexist. But today's right-wing populists have exposed contradictions between the two. Illiberal politicians have undermined rights and rules-based institutions in the name of the people. Meanwhile, elites in Western societies have moved in the opposite direction, investing authority in bodies, such as the EU, that reduce their exposure to democratic politics. These clashing populist and elite movements, Mounk writes, are creating an unstable mixture of "illiberal democracy" and "undemocratic liberalism." Western liberal democracy was built on rising living standards, relatively homogeneous societies, and a shared space of public information—foundations that are now eroding. Mounk does not think all is lost. But for liberal democracy to survive, Western countries will have to pursue serious economic reforms, build new conceptions of multiethnic societies, and reestablish trust in rules and institutions.

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*Boundaries of the International: Law and Empire*

BY JENNIFER PITTS. Harvard University Press, 2018, 304 pp.

Theorists of modern international law typically trace its origins to the rise of



the European state system in the seventeenth and eighteenth centuries. In this narrative, European countries, which saw one another as sovereign and equal, forged legal principles to regulate their relations and later exported those principles to the rest of the world. Pitts complicates this story by illuminating the ways in which international law was an artifact of empire, a system for organizing the world so as to perpetuate Western dominance. In the late eighteenth century, when universalistic conceptions of law took hold, discourses on international law often specified universal ideals that would unite the “civilized world” as a moral community. But notions of universalism and equality tended to mask exclusionary, Eurocentric thinking. It was the “law of nations” that justified territorial conquest, the seizure of foreign ships, and the imposition of discriminatory trade regimes. Later, in the twentieth century, international law aided those struggling against empires and for self-determination. So in the end, international law proved both a tool of the powerful and a weapon of the weak.

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*Us vs. Them: The Failure of Globalism*  
BY IAN BREMMER. Portfolio, 2018,  
208 pp.

This quick survey of today’s geopolitical trends and hot spots features a straightforward thesis: the world is in turmoil, and globalization is to blame. Nations are turning inward, people are becoming tribal, zero-sum thinking is on the rise, and the project of building an open international order is failing. Bremmer acknowledges that globalization has not been all bad. It has stimulated decades of economic growth and lifted much of humanity out of poverty. But he argues

that its more profound impact has been to generate economic insecurity, undermine social solidarity, and usher in an era of backlash politics. The axis of political conflict is no longer between the left and the right or between the West and “the rest”; it is between elites and aggrieved, fearful people seeking protection from foreigners, economic competition, and technological change. Globalization has unsettled not just the United States and Europe but also the developing world, including countries such as Brazil, Mexico, and Turkey. Bremmer sees all countries facing a stark choice: either they “build walls” or they renew the bargains between citizens and their governments in ways that allow both sides to better navigate a world of growing interdependence.

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## Economic, Social, and Environmental

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*Richard N. Cooper*

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*The Infinite Desire for Growth*  
BY DANIEL COHEN. TRANSLATED BY  
JANE MARIE TODD. Princeton  
University Press, 2018, 184 pp.

Cohen has produced a breathtaking overview of the history and evolution of humanity and human society—and a sobering essay on the future of civilization. He points out that modern Western civilization draws heavily on the eighteenth-century Enlightenment (which drew, in turn, on earlier intellectual and scientific developments) but that writers of that period emphasized the moral improvement of humans rather

than the accumulation of wealth. The celebration of the latter began largely in the twentieth century, during which people in the West and around the world came to want and expect continuous improvements in their material well-being, based on economic growth. Yet as Cohen notes, thanks to a growing global population, itself the result of improved economic conditions, sustained economic growth is testing the limits of the planet's resources. What is more, after a certain point, growth fails to make people happier because they measure their circumstances against those of their neighbors and, as methods of communication improve, against those of ever more distant people.

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*Brave New Arctic: The Untold Story of the Melting North*

BY MARK C. SERREZE. Princeton University Press, 2018, 264 pp.

Serreze has written a highly personal account of his experience as an environmental scientist researching the high Arctic, in particular the shrinkage of Arctic ice over the last 35 years. Although the amount of melting varies significantly from year to year, and only some of the reasons for the variation are understood, Serreze shows that the Arctic, including Greenland, is thawing at a much faster rate than was expected even a decade ago. Serreze details the growing knowledge about what is happening in the region, the puzzles scientists face in interpreting their observations, and the interplay between new data and climate models. His analysis will prove particularly valuable to budding scientists by illuminating how collaboration and cross-fertilization take place among scientists of different backgrounds, how scientists decide when to publish

results, their continuing need to acquire more data, and how they fund research and expeditions.

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*Unelected Power: The Quest for Legitimacy in Central Banking and the Regulatory State*  
BY PAUL TUCKER. Princeton University Press, 2018, 656 pp.

Tucker's thoughtful disquisition on democracy in modern societies focuses on the relationships between citizens and various branches of the state. The last quarter of the book covers the structure of independent central banks and how much authority should be delegated to them—in normal times and in emergencies, such as the financial crisis of 2007–8. Tucker draws heavily on the history of the Bank of England, where he worked as a regulator for 30 years, but he also discusses other central banks, including the U.S. Federal Reserve and the European Central Bank. In Tucker's view, to retain legitimacy and credibility, independent agencies must operate transparently and must enjoy clearly defined powers. For central banks, these involve setting monetary policy, regulating and supervising the banking system, serving as the lender of last resort, and carrying out some less common policies in emergencies, such as quantitative easing. Tucker's work is full of valuable insights for central bankers as well as their critics.

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*The New Global Road Map: Enduring Strategies for Turbulent Times*  
BY PANKAJ GHEMAWAT. Harvard Business Review Press, 2018, 272 pp.

This engaging book is divided into two parts. The first addresses the facts of

globalization using a series of useful indexes and maps to depict levels of trade, travel, investment, and other international economic activities.

Ghemawat uses these facts, along with projections of the future, to debunk what he calls “globalony”: assertions by businesspeople about how corporations should respond to globalization, such as the idea that a truly global company should have no home base. The second half of the book offers practical guidelines to help international companies make decisions about whether to invest in particular countries. Ghemawat bases his recommendations, in part, on the distance between the country in question and the company’s home—measured not only in geographic terms but also in terms of language and culture. Executives, he warns, should consider each potential new market carefully and critically. Ghemawat aims his advice at businesspeople (and business students), but his work will also enlighten readers outside the business world who want to understand international trade and investment.

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*Social Value Investing: A Management Framework for Effective Partnerships*

BY HOWARD W. BUFFETT AND WILLIAM B. EIMICKE. Columbia University Press, 2018, 448 pp.

Buffett and Eimicke draw on examples of successful public-private partnerships (as well as some not-so-successful ones) to explain how policymakers should go about designing them. Such projects are rising in popularity as cash-strapped governments often find themselves unable to finance even traditional public services, let alone desirable new ones,

and private actors—philanthropists, nongovernmental organizations, and businesses—are able to bring useful knowledge and skills as well as funds to bear on social problems. Buffett and Eimicke recount partnerships that rejuvenated parks in Chicago and New York City, upgraded the technology used by the New York City Fire Department, digitized social services in India, and improved farming practices in Herat Province, in Afghanistan. They draw lessons from these examples on how best to structure such partnerships, set practical timelines, and involve local people and groups.

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## Military, Scientific, and Technological

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*Lawrence D. Freedman*

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*On Grand Strategy*

BY JOHN LEWIS GADDIS. Penguin Press, 2018, 384 pp.

**T**his illuminating and erudite book explores the meaning of grand strategy by recounting some of history’s most fateful decisions, many of which were also its most ill conceived. Often these involved attempts at conquest: the Persian king Xerxes’ invasion of Greece in 480 BC, Philip II of Spain’s abortive invasion of England in 1588, and Napoleon’s assault on Russia in 1812. Gaddis defines “grand strategy” as aligning “potentially unlimited aspirations with necessarily limited capabilities” and highlights the persistent error of focusing on the former while ignoring

the latter. He frequently cites the philosopher Isaiah Berlin's distinction, borrowed from the ancient Greek poet Archilochus, between the fox, who knows many things, and the hedgehog, who knows one big thing. The best strategists, Gaddis suggests, combine both attributes: they focus on overarching goals but respond pragmatically to circumstances. To make his point, he draws on a range of thinkers, including Thucydides, Machiavelli, Clausewitz, and Tolstoy. One surprise is that the period about which Gaddis has written most extensively—the Cold War and the nuclear age—is absent. Gaddis says he feels he has written enough on the subject, but this reader could have coped with a little more from the master of the field.

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*The Logic of American Nuclear Strategy: Why Strategic Superiority Matters*  
BY MATTHEW KROENIG. Oxford University Press, 2018, 280 pp.

*When Proliferation Causes Peace: The Psychology of Nuclear Crises*  
BY MICHAEL D. COHEN. Georgetown University Press, 2017, 304 pp.

*The Brink: President Reagan and the Nuclear War Scare of 1983*  
BY MARC AMBINDER. Simon & Schuster, 2018, 384 pp.

*Hacking the Bomb: Cyber Threats and Nuclear Weapons*  
BY ANDREW FUTTER. Georgetown University Press, 2018, 216 pp.

Ever since the United States dropped atomic bombs on Hiroshima and Nagasaki, no nuclear weapons have

been used in combat. This limits all efforts to develop theories about nuclear strategy, as does the fact that serious nuclear crises have been few and far between. Those who worry that something will go badly wrong one day can point to some close calls but no catastrophes. The Cuban missile crisis looms large in all such discussions, yet that confrontation was the product of a particular set of circumstances and of the approaches adopted by the main protagonists, U.S. President John F. Kennedy and Soviet Premier Nikita Khrushchev. In his study of nuclear superiority, Kroenig notes that both men thought that the appearance of having greater strength mattered. As evidence, he points to how the public's belief in the "missile gap"—the claim that the Soviet Union had more and better missiles than the United States—influenced the two countries' politics and policies, even though, in the end, the assertion proved false.

Kroenig uses Kennedy's and Khrushchev's convictions to himself argue that superiority always matters. He challenges the orthodox view that once a state has a second-strike capability—and so can assure the destruction of any country that launches a first strike against it—more bombs and missiles are superfluous. He proposes that superiority allows leaders to run greater risks during crises, something he sees as a positive. If a nuclear exchange begins, he argues, leaders who can escalate further and faster than their opponents will be able to limit the damage. Kroenig carries out some quantitative analysis with the modest amount of data available and offers a few brief case studies, although it is not clear that the Sino-Soviet crisis of 1969 (during which the



Soviet Union considered launching a preventive nuclear war against China) fits Kroenig's model, as China barely had an operational nuclear arsenal at that time. Kroenig draws attention to the reasons why policymakers desire superiority, but his book fails to show that it is really the nuclear balance that makes the difference in crises, as opposed to the balance of conventional forces or countries' differing stakes in the outcome.

Cohen looks at some of the same cases in greater detail and draws a different conclusion. He points not so much to the raw numbers of bombs and missiles but to the chance that a new leader may be overoptimistic about capabilities and so act too assertively. At first, this tendency can prompt confrontations, he argues, but the experience of getting close to the brink dampens leaders' enthusiasm for future risk-taking. Cohen analyzes how politicians learn from and adapt after crises and demonstrates just how sobering the prospect of war can be. But much still depends on individual personalities, and, as Cohen notes, the learning experience has to be repeated with each new generation of leaders.

The importance of personalities comes across in Ambinder's riveting account of nuclear tensions in the early years of the Reagan administration. At the heart of the story lies Soviet paranoia that the United States might launch a surprise first strike, a fear that reached its height in 1983, when NATO carried out an exercise known as Able Archer, which simulated a nuclear conflict. The Soviets feared that the exercise was a cover for the real thing. Ambinder focuses on concerns both countries held about the integrity of their nuclear command-and-control arrangements. U.S. policymakers

were particularly preoccupied with the question of who would be in charge of nuclear decision-making if the president and the vice president were both killed (a problem that was underlined by the attempted assassination of U.S. President Ronald Reagan in 1981). Ambinder paints a sympathetic portrait of Reagan, who was seized with deep forebodings about a nuclear Armageddon. Reagan was surprised to learn how much the United States scared the old men in the Kremlin. But once he understood their fears, he sought to ease tensions.

The vulnerability of command-and-control systems will only grow in importance with the development of cyber-capabilities, which will present new opportunities for interference. Malicious actors might launch weapons by mimicking authorization codes or triggering warning systems, or they might use cyberattacks to prevent legitimate launches. Even without outside attacks, the excessive complexity of nuclear weapons systems can lead to errors and accidents. There are already some sobering examples: attempts to compromise conventional radar and air defense systems, a commander's personal computer being taken over to send false messages during a military exercise, nuclear facilities that lost communications because of equipment failure, and hackers trying to break into messages between nuclear submarines and onshore forces. Futter's valuable book surveys the new dangers and also considers how states might deter cyberattacks on critical infrastructure. He stresses the importance of securing sensitive nuclear information and of keeping control systems as simple as possible and separating them from other networks.

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*The Art of Creating Power: Freedman on Strategy*

EDITED BY BENEDICT WILKINSON AND JAMES GOW. Oxford University Press, 2017, 488 pp.

Pulling together the vast corpus of Lawrence Freedman's work is an ambitious feat, but this book manages it with aplomb. The contributors tackle his wide-ranging scholarship on topics such as strategy, deterrence, military policy, and international relations. Freedman, a regular contributor to this magazine, is the author of a canonical text on nuclear weapons, *The Evolution of Nuclear Strategy*. After the 9/11 attacks, he pushed the international community to reconsider its understanding of deterrence to accommodate the threat of terrorism. In the years that followed, Freedman's work on humanitarian intervention and just war theory shaped how policymakers and politicians, such as British Prime Minister Tony Blair, approached the Iraq war—although many of them misapplied Freedman's thinking. Freedman later served as a key member of the British government's official inquiry into the United Kingdom's role in the war. Attempts by the contributors to this volume to view Freedman's work through various theoretical lenses are less interesting than their substantive analysis of his thought, but this study reminds readers that Freedman has earned his status as a towering figure among scholars and practitioners of military strategy.

MARA KARLIN

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The United States

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*Walter Russell Mead*

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*The Great Alignment: Race, Party Transformation, and the Rise of Donald Trump*  
BY ALAN I. ABRAMOWITZ. Yale University Press, 2018, 216 pp.

*The Left Behind: Decline and Rage in Rural America*  
BY ROBERT WUTHNOW. Princeton University Press, 2018, 200 pp.

*The Great Revolt: Inside the Populist Coalition Reshaping American Politics*  
BY SALENA ZITO AND BRAD TODD. Crown Forum, 2018, 320 pp.

These books offer three distinct perspectives on the central question in American politics: Why did so many voters support Donald Trump in the 2016 presidential election? Abramowitz uses political science to analyze the electorate, Wuthnow takes a sociological perspective on the residents of the small towns that voted disproportionately for Trump, and Zito and Todd use a mixture of journalistic interviews and demographic analysis to understand Trump voters.

Of the three, Abramowitz offers the bleakest perspective. In a radical shift in political behavior, polarization is no longer limited to talking heads on cable news; more and more, tribal loyalty characterizes the American public as a whole. Racial resentment and insecurity, Abramowitz suggests, are the leading—although not the only—forces behind this change. “Racial resentment,” as

Abramowitz uses the term, is not identical to old-fashioned racism. He defines it by the extent to which respondents agree or disagree with statements such as “Irish, Italian, Jewish, and many other minorities overcame prejudice and worked their way up. Blacks should do the same without any special favors.” He finds that those kinds of sentiments have increased among Republican-voting whites in the last three decades while modestly decreasing among whites who vote Democratic. Those sentiments were strongly correlated with support for Trump in both the primaries and the general election in 2016.

Wuthnow also wrestles with racism in his sociological look at small-town America. Although he finds that views of race matter, he sees other factors at work behind Trump’s high vote totals in rural areas. Some of the people Wuthnow interviewed may, he says, have racist views, but those are secondary consequences of their attachment to a local community and its traditional ways. Discrimination in the heartland is real, and Wuthnow gives voice to those who suffer from it. And the “identity politics” of rural America, he insists, is not limited to resentment against blacks. Ill will toward immigrants, in Wuthnow’s view, has played a larger role than concerns about African Americans in alienating the residents of rural communities from Washington.

Zito and Todd take a different route in their attempt to understand Trump voters. Adopting the tools that campaign operatives use to identify categories within the electorate, they interviewed Trump voters in swing counties of swing states. They focused on the handful of counties in Midwestern states that voted

for Barack Obama in 2008 and 2012, often by comfortable margins, but that supported Trump in 2016. From educated housewives to worried truckers, the people in these interviews challenge the idea that Trump voters were xenophobes and racists moved by resentment; those whom Zito and Todd spoke to see themselves as responding to Democratic policy failures and elite condescension.

All these books enrich the discussion of Trump’s victory, but Abramowitz’s observation that the electorate as a whole, and not merely the pundit class, is becoming more politicized may be the most important insight. On the GOP side, a feeling of cultural threat—linked to racial concerns, but not determined by them—contributes to the problem. Among Democrats, resentment stems from a growing sense that the U.S. electoral system no longer reflects the popular will.

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*War on Peace: The End of Diplomacy and the Decline of American Influence*

BY RONAN FARROW. Norton, 2018, 432 pp.

Farrow is a gifted writer and a sharp observer, and parts of this book are brilliant, especially its account of Farrow’s service under Richard Holbrooke, who was U.S. President Barack Obama’s special representative for Afghanistan and Pakistan. But the book’s parts do not cohere. Farrow argues that U.S. diplomacy is being crowded out by military thinking and compares the current situation to the dominance of shortsighted military planners during the Vietnam War. He reports that Holbrooke, in dealing with U.S. policy toward Afghanistan, found himself

making the same arguments against the same counterinsurgency military strategies that he had argued against in the Vietnam era. Yet that very comparison undercuts the idea that the subordination of diplomatic to military thinking is something new. At times, the book reads like a memoir of Farrow's education in statecraft; at times, it becomes a lament for a bygone era of diplomats who maintained strong personal relations with some rather horrible figures in the interest of diplomacy; at times, it is an attack on the U.S. government for collaborating too closely with Afghan warlords and Egyptian generals. Material for several first-rate books is scattered throughout the pages of *War on Peace*; Farrow will be heard from again.

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*A Higher Loyalty: Truth, Lies, and Leadership*

BY JAMES COMEY. Flatiron Books, 2018, 312 pp.

It is hard to know who hates Comey, the former FBI director, more: partisans of the Democratic candidate Hillary Clinton, who blame her defeat in the 2016 presidential election on Comey's decision to announce the reopening of an FBI investigation into her conduct days before the vote, or supporters of U.S. President Donald Trump, who see the former FBI director as part of a sinister "deep state" conspiracy against the Trump administration. In Comey's own telling, he was an honest but unlucky man of old-fashioned principles who was forced to make fast decisions in a hyperpartisan atmosphere. Yet those principles were of little help in the wild world of Washington, where, based on Comey's evidence, both Democrats and

Republicans engaged in grave misconduct. Obama administration officials pressured him to downplay the seriousness of the FBI's investigation into Clinton's use of a private e-mail server. Later, Comey had a one-on-one dinner with Trump that he describes as akin to an evening with a creepily insistent Mafia don. Throughout, Comey seems to have been out of his depth. But in times like these, many people struggle to keep their feet.

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## Western Europe

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*Andrew Moravcsik*

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*EuroTragedy: A Drama in Nine Acts*

BY ASHOKA MODY. Oxford University Press, 2018, 672 pp.

**I**n this book, the best history of the recent eurozone crisis yet to appear, Mody argues that the euro is dysfunctional "because it defies the principles of economics." Monetary unions can work well only if inflation and employment rates converge, or if, as in the United States, mass migration, government transfers, and budgetary restrictions offset economic differences. None of this exists in the eurozone, so the monetary union has depressed growth, undermined the legitimacy of the EU, and exacerbated inequality. That is conventional wisdom, but Mody also makes a more original and disturbing contribution by demonstrating that European leaders knew all of this decades ago. They ignored the warnings of most economists, central bankers, EU officials, and even some



politicians that the euro could do little good and colluded to whitewash official reports and suppress bad economic data. Mody recounts this history in admirable detail, yet his economic expertise is of little help in explaining why European leaders chose such an ill-fated course. That is perhaps because he passes over the exporters, bankers, wealthy citizens, senior citizens, debt-prone governments, and other politically powerful groups that benefit, at least in the short term, from the single currency.

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*Postwar Europe and the Eurovision Song Contest*

BY DEAN VULETIC. Bloomsbury, 2018, 288 pp.

The Eurovision Song Contest, founded in 1956, is an annual televised pop extravaganza in which bands from dozens of countries compete before a live audience. Commentators often dismiss the cavalcade of three-minute songs as pure kitsch: recent winners include a Romanian Dracula singing in falsetto, a bearded Austrian drag queen, and a Finnish heavy-metal band clad in monster suits. Yet nearly 200 million Europeans tune in. Vuletic goes beneath the bubblegum to reveal surprising machinations. National broadcasters established Eurovision not to promote cosmopolitan ideals but to provide cheap content, and the competition tends to stoke national pride more than collective identity. Central European authoritarians spend vast sums to host it, thereby whitewashing their countries' meager domestic freedoms, and many governments occasionally rig the selection of national entries to push political agendas. The countries with

the five biggest media markets automatically make it to the last round every year—a practice that has led Turkey to withdraw in protest. And the final tally is skewed by the tendency of spectators to favor bands from neighboring countries. Yet after more than 50 years, Eurovision not only lives on but has become ever more tolerant and diverse. Europe would not be the same without it.

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*Hitler and Film: The Führer's Hidden Passion*  
BY BILL NIVEN. Yale University Press, 2018, 312 pp.

Hitler's passion for art, architecture, and Wagnerian opera is common knowledge. Yet the Führer was, above all, a film addict. In the years before World War II, he watched two or three movies a night, including all of those released in Germany. Although he personally financed, selected, and often censored films shown in public theaters and attended public screenings that were selected to cultivate popular support, his private tastes ranged far more broadly. He adored Mickey Mouse, often watched sophisticated works by Jewish émigré directors and with Jewish actors, and even viewed American, British, and French films in their original languages. Even more than his propaganda minister, Joseph Goebbels, he took responsibility for Nazi publicity. He approved every German newsreel before its release and sponsored not just Leni Riefenstahl's famous works but also films advocating the forced sterilization of the disabled and anti-Semitic ethnic cleansing. The latter were shown to people who were tasked with the extermination of the Jews. These events

took place 75 years ago, but they contain lessons for today: tyrants are often surprisingly ordinary people, and state control over the media plays an essential role in creating and sustaining dictators.

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*The History of the European Migration Regime: Germany's Strategic Hegemony*  
BY EMMANUEL COMTE. Routledge, 2017, 244 pp.

*Migration and Refugee Policies in Germany: New European Limits of Control?*  
BY ANDREAS ETTE. Barbara Budrich, 2018, 340 pp.

In 2015, civil wars in countries near the Mediterranean led refugees to flood Europe. Almost alone, Germany welcomed them, until over one million had arrived and all European countries tightened their borders. Germany has dominated Europe's collective arrangements for governing migration for almost 70 years. Comte shows that it does so because it has always absorbed the most migrants, both from European countries, such as Italy, and from outside neighbors, such as Turkey. France and Italy, by contrast, have been more reticent, and the United Kingdom, protected by the English Channel, has vacillated. Since the 1970s, as Comte recounts, in response to slower growth and rising numbers of migrants, European governments have clamped down on illegal immigration by low-skilled laborers while allowing better-educated immigrants to enter lawfully and move about freely, mainly to promote economic exchange and foreign investment in Europe.

Ette aims to bring the story up to date. He argues that the EU has moved

its member states toward liberal, open, and enlightened policies. Yet his data show something subtler and more cynical. European governments prefer to disguise the fact that their restrictions on immigration fudge international humanitarian norms. To that end, they pass ostensibly liberal laws on asylum and other, related topics, often with the help of the EU, and then quietly subvert their intent by implementing them incompletely and signing agreements with their neighbors to block migrants or return them when they are apprehended.

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*The Good Mothers: The True Story of the Women Who Took on the World's Most Powerful Mafia*  
BY ALEX PERRY. William Morrow, 2018, 352 pp.

Perry tells the tale of three women who turned on the 'Ndrangheta, the Calabrian Mafia. Despite persistent efforts by the police to incriminate Mafia leaders using high-tech surveillance, organized crime remains powerful in southern Italy, accounting for almost four percent of the Italian economy. Few will testify against the 'Ndrangheta because the costs of informing are so high. Two of the three female informants ended up dead, despite powerful witness protection programs. One was lured to a rendezvous by her former husband, ostensibly to discuss their daughter's college plans, then kidnapped and tortured to death by his two brothers. The second collaborator was eventually coaxed back to see her children and died after drinking hydrochloric acid. (The family claimed she had committed suicide.) The third recanted under family pressure, then agreed to testify after all, resulting in long jail sentences for 34

members of her family and their associates, including her father. Alessandra Cerreti, the enterprising prosecutor who developed the strategy of turning women against their criminal clans, now lives under around-the-clock police guard and travels only by armored car. By necessity, she and her husband have no children.

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## Western Hemisphere

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*Richard Feinberg*

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*AMLO: Con los pies en la tierra* (AMLO: With His Feet on the Ground)  
BY JOSÉ AGUSTÍN ORTIZ  
PINCHETTI. HarperCollins, 2018,  
240 pp.

*Andrés Manuel: La invención de un político* (Andrés Manuel: The Invention of a Politician)  
BY SARAY CURIEL GONZÁLEZ AND  
ALFONSO ARGOTE D' SANTIAGO.  
Los Libros del Sargento, 2018, 186 pp.

**W**ho is Andrés Manuel López Obrador? The 64-year-old president-elect of Mexico, who will begin his six-year term on December 1, is a polarizing personality. He is adored by his admirers, who are especially numerous among the indigenous and working poor, and feared by many in the upper reaches of Mexican society. After a successful stint as the mayor of Mexico City from 2000 to 2005, López Obrador ran two losing campaigns for the presidency, in 2006 and 2012, before his victory this July. Ortiz Pinchetti, a longtime close collaborator of López Obrador's, offers a compelling personal portrait of the president-elect and a point-by-point retort to his detractors. In Ortiz Pinchetti's telling, López Obrador is admirably hard working and austere. He is pragmatic yet consistent in his strong ethical principles and his moderate social democratic philosophy. His heroes include U.S. President Franklin Roosevelt and Chilean President Salvador Allende; he is not an admirer of the Cuban dictator Fidel Castro or the Venezuelan strongman Hugo Chávez. Nor does he harbor the visceral anti-Americanism common among Latin American leftists. Ortiz Pinchetti provides an empathetic but indispensable source for understanding López Obrador's political trajectory, his style of politics, and his aspirations.

A contrasting view of López Obrador emerges from Curiel González and Argote D' Santiago's book, which portrays the new president as an ambitious, clever media manipulator who holds only a superficial grasp of policy issues and has no clear agenda. According to this view, López Obrador is a populist caudillo who revels in contrasting the interests of "the people" with those of "the mafia of corrupt power," casts himself as the innocent victim of dark conspiracies, and claims that he can restore morality to public life by the mere force of his personality. In his attacks on neoliberalism and corporate monopolies, he seems to be a throwback to an earlier era of protectionist, statist economics, even though he has come to embrace the North American Free Trade Agreement.

It's not yet clear which of these portraits is more accurate. But once López Obrador assumes power, Mexico and the world will find out.

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*Vanishing Frontiers: The Forces Driving Mexico and the United States Together*

BY ANDREW SELEE. PublicAffairs, 2018, 336 pp.

In this breezy, well-crafted primer, Selee marshals overwhelming evidence of the mutually beneficial economic and social integration of Mexico and the United States. Extensive industrial supply chains and a booming two-way trade in agricultural products bind the two countries' economies together. Mexican filmmakers, athletes, and celebrity chefs enrich U.S. popular culture. And national law enforcement agencies cooperate to suppress criminal organizations that operate on both sides of the border. Within Mexico, a large, prosperous middle class has emerged. The two countries are no longer "distant neighbors," as the journalist Alan Riding dubbed them in the pre-NAFTA 1980s; they are "intimate strangers—deeply connected to each other yet with few of the tools [they] need to understand [their] growing intimacy." Before the rise of U.S. President Donald Trump, many Americans and Mexicans viewed their countries' strengthening bonds favorably. But as a candidate, Trump successfully played on the fears of voters in small towns and rural areas. Despite Trump's victory, Selee is confident that the irresistible forces of integration will only accelerate and Trump's anti-Mexican posture will prove a mere footnote to history.

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*Unleashing Growth and Strengthening Resilience in the Caribbean*

EDITED BY TREVOR ALLEYNE, INCI OTKER, UMA

RAMAKRISHNAN, AND KRISHNA SRINIVASAN. International Monetary Fund, 2017, 379 pp.

Despite their favorable geographic location and abundant natural resources, many Caribbean countries have fallen into a distressing trap of low growth and high external debt. In this book, a group of economists uncover several interconnected causes for the malaise: the high cost of energy, inadequate infrastructure, burdensome regulatory systems, and violent crime. Perhaps most damaging is a persistent brain drain, which has depleted the stock of highly educated workers. On the upside, remittances from émigrés often exceed direct investment and official development assistance. One particularly innovative chapter concludes that so-called economic citizenship programs, which allow wealthy foreigners to purchase citizenship and, in some cases, residency in Caribbean countries, provide significant benefits to the countries that offer them, despite the risk that they will be used to launder money. A concluding chapter argues that unleashing growth will require a combination of policies and greater regional coordination to avoid a "race to the bottom" (for example, by competing to offer tax breaks to foreign investors). Whether governments have the institutional capacity and political will to adopt and sustain the necessary reforms remains unclear.



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*The Neighborhood: A Novel*

BY MARIO VARGAS LLOSA.  
TRANSLATED BY EDITH  
GROSSMAN. Farrar, Straus and  
Giroux, 2018, 256 pp.

*In the Midst of Winter: A Novel*

BY ISABEL ALLENDE. TRANSLATED  
BY NICK CAISTOR AND AMANDA  
HOPKINSON. Atria Books, 2017,  
352 pp.

In Peru in the 1990s, a sinister, unscrupulous presidential adviser, Vladimiro Montesinos, entrapped Lima's elites in elaborate schemes built around salacious gossip, blackmail, and bribery. For readers unfamiliar with Peruvian politics, *The Neighborhood*, which recounts a fictionalized version of Montesinos' machinations, is an entertaining introduction to the era's multilayered, exquisitely Machiavellian plots. But the book also shows why Vargas Llosa, a Nobel laureate in literature, has his share of detractors in his home country. The novel renders Peru as a place with few redeeming traits. He freely appropriates recent Peruvian history but gives it a false twist: in his story, a single, vengeful journalist from the tabloid press undoes the corrupt, increasingly authoritarian regime of Montesinos and his president, Alberto Fujimori. In the more compelling, if more complex, real life events, the regime was toppled by the combined efforts of Peruvian civil society groups, the mainstream media, and a number of international organizations and foreign governments.

Like Vargas Llosa, Allende, a Chilean American writer living in California, uses fiction to address contemporary political issues. In her latest novel, she

refracts American debates over immigration through the relationships among three characters whose lives collide in present-day Brooklyn. Each of them has an immigrant history: Richard, a professor of Latin American studies at New York University, is the child of refugees from Nazi-controlled Europe; Lucia, a visiting academic at the university, fled her native Chile during the bloody dictatorship of Augusto Pinochet in the 1970s; and Evelyn, an undocumented immigrant, ran away from Guatemala after the infamous MS-13 gang killed her two brothers. The three share their stories of flight from brutality and predation, of fearsome journeys, and of recurrent nightmares. Yet hope resides in the healing powers of honest conversation and loving relationships. There are evil people in Allende's narrative: murderous soldiers, brutal gang members, and callous human traffickers. But the immigrants themselves are innocent victims, worthy of respect and welcome.

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## Eastern Europe and Former Soviet Republics

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*Robert Legvold*

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*Orbán: Hungary's Strongman*

BY PAUL LENDVAI. Oxford University Press, 2018, 224 pp.

**L**endvai's tautly argued, baleful account of the career of Hungarian Prime Minister Viktor Orbán will correct anyone who once harbored the illusion that eastern European countries—free of Soviet control and comfortably

ensconced in the EU and NATO—would move rapidly toward liberal democracy. Thanks in no small part to Orbán, Hungary's trajectory since the fall of communism bears far more resemblance to that of Russia under President Vladimir Putin than to, say, Spain's after the death of the dictator Francisco Franco. The parallels between Orbán and Putin go beyond a shared authoritarian streak. Orbán's calculated shift from democrat to nationalist and from liberal dissident to the guardian of Hungary's most conservative values mirrors Putin's evolution from reformer to hard-liner. True, Orbán's three political near-death experiences, including two consecutive electoral defeats, set him apart from Putin. But Orbán's political skill, tenacity, and lack of scruples make him a remarkably similar politician.

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*The Treacherous Path: An Insider's Account of Modern Russia*

BY VLADIMIR YAKUNIN. Biteback, 2018, 304 pp.

Yakunin is one of Russia's wealthiest people. A former KGB officer, entrepreneur, government official, head of Russian Railways, and, at times, member of President Vladimir Putin's circle, he is now on the U.S. government's sanctions list. Yet readers expecting a self-justifying screed will be surprised. Yakunin comes across as flinty, intelligent, self-critical, and rather idealistic as he describes the time he spent in New York as an intelligence agent in the 1980s, the start of his business career, his first meeting with Putin, and the challenges he faced in completing massive port projects in Russia during President Boris Yeltsin's administration. His account of the

turbulent times after the collapse of the Soviet Union illuminates the profound complexity of managing new state-controlled firms such as Russian Railways, which has a million employees and 150 "daughter companies." Yakunin has produced a multidimensional memoir and a portrait of contemporary Russia that features many more shades of gray than the simplistic versions common in Western media.

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*A World of Empires: The Russian Voyage of the Frigate Pallada*

BY EDYTA M. BOJANOWSKA.

Harvard University Press, 2018, 384 pp.

In 1852, the Russian frigate *Pallada* set sail from a naval base near St. Petersburg on a voyage that would round the Cape of Good Hope, cross the Indian Ocean to Singapore, and then, on the heels of the American commodore Matthew Perry's famous mission to open Japan to U.S. trade, do the same for Russia. On board was the novelist Ivan Goncharov, who wrote a wildly popular travelogue describing the adventure. Bojanowska takes apart Goncharov's account like a precious timepiece, examining each component to reveal a different side to Russia's entry into the age of imperialism. Sensitive to Goncharov's artistry, she balances his admiration for British colonial administrators and the lessons he took from them for his own government as it colonized the Caucasus and Siberia with his visceral national pride in the "humanity" Russia brought to its own "civilizing mission." The result is a splendid exposition of the ways in which, from the 1850s onward, Russia's history, like that of Belgium, France, the Netherlands, and the United Kingdom, was shaped by the process of colonization.

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*The Vory: Russia's Super Mafia*

BY MARK GALEOTTI. Yale University Press, 2018, 344 pp.

Gangsters turn up in every society, but the shape they take and the ways in which they operate depend to a great extent on the culture and politics of their countries of origin and change with the times. As this comprehensively researched book shows, nowhere is that more true than in Russia. Galeotti starts by describing the different kinds of crime that plagued imperial Russia, focusing on the contrast between the countryside (where banditry, poaching, and horse thievery were most common) and the rapidly swelling cities, with their slums, gangs, and criminal underworlds. After the Russian Revolution of 1917, the nature of the country's crime changed, as Stalin's gulag produced new criminal clans led by the *vory v zakone*, or "thieves in law." The law in question was the strict code by which they ruled themselves and related to the rest of society. The *vory* set themselves apart from the civilian world with dramatic tattoos and elaborate jargon—which has found its way into the thuggish language employed by contemporary Russian politicians, including President Vladimir Putin. After Stalin's death, these gangs were eclipsed by a new underworld that adapted to the opportunities presented by each successive era. Today, mob bosses wear three-piece suits and slip between criminal and legal business, often in collusion with the state. Much of their activity takes place beyond Russia's borders with foreign partners from China and the United States.

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*The Kremlinologist: Llewellyn E.**Thompson, America's Man in Cold War Moscow*

BY JENNY THOMPSON AND SHERRY THOMPSON. Johns Hopkins University Press, 2018, 600 pp.

*From Cold War to Hot Peace: An American Ambassador in Putin's Russia*

BY MICHAEL McFAUL. Houghton Mifflin Harcourt, 2018, 528 pp.

Llewellyn Thompson served eight U.S. presidents as a diplomat, including two stints as U.S. ambassador to the Soviet Union. This rigorously documented book by his two daughters recounts his four decades as a Foreign Service officer. He was first posted to the Soviet Union in 1941, as an official in the U.S. embassy in Moscow, and then served as the U.S. ambassador from 1957 to 1962, an eventful period that saw, among other things, the launch of Sputnik, the Berlin crisis, the downing of an American U-2 spy plane, and U.S. President John F. Kennedy's meeting with Nikita Khrushchev in Vienna. The years after Thompson's return to Washington were equally dramatic. He was involved in the Cuban missile crisis, the escalating Vietnam War, and U.S.-Soviet arms control talks. The authors draw from fresh sources to treat these events in great detail, which results in a valuable addition to the history of the first half of the Cold War, as well as a compelling biography of their father.

McFaul's narrative is just as engrossing. He recounts the major issues that arose between the United States and Russia during the five years he worked in the Obama administration, first as a key adviser, then as U.S. ambassador to Russia: the New START negotiations,

the war in Afghanistan, the Iran nuclear negotiations, the Syrian civil war, the dispute over ballistic missile defenses, and Russia's accession to the World Trade Organization. He also explains the tactics—many of which he designed—by which the Obama administration tried to “reset” the U.S.-Russian relationship. These included attempts to engage directly with Russian businesses and civil society. This approach mattered to McFaul because ever since graduate school, he has been not merely a student of Russia's democratic transition but also a committed pro-democracy activist. The villain who disrupted these efforts, as he sees it, was Russian President Vladimir Putin. McFaul emphasizes this point, which explains why, although he was an author of the reset in President Barack Obama's first term, he was among the first to regard it as dead in Obama's second term. He now believes that a productive relationship between Russia and the United States will not be possible as long as Putin remains in power.

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## Middle East

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*John Waterbury*

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*How Long Will Israel Survive? The Threat From Within*

BY GREGG CARLSTROM. Oxford University Press, 2017, 256 pp.

**T**his account of Israel's drift to the political right over the last few decades avoids sensationalism and reveals that Prime Minister Benjamin Netanyahu, contrary to his image

abroad, is one of the more liberal figures in the country's main right-wing political alliance, the Likud Party. Carlstrom depicts Israel as a society riven by bitter tribalism, where “incitement and racism [have become] a regular feature of political discourse.” The book echoes a speech given by Israeli President Reuven Rivlin in 2015, in which he decried the zero-sum warfare over public budgets, subsidies, and other government hand-outs that divides Israel's Ashkenazi, Mizrahi, and Haredi Jews, as well as its Arab, Ethiopian, and Russian citizens. Israel will survive the bickering, but its Jewish citizens may become separated from Jews elsewhere as they increasingly place Jewish identity above democracy. Two-thirds of Jewish Israelis believe that the two-state solution is dead. The forces advocating annexation of the West Bank are ascendant. If sacrificing democracy is the price, many feel, so be it.

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*Democratic Transition in the Muslim World: A Global Perspective*

EDITED BY ALFRED STEPAN.

Columbia University Press, 2018, 272 pp.

In 2011, protesters in Tunisia and Egypt overthrew their autocratic leaders and demanded sweeping economic and political reforms. Yet since then, the two countries have seen very different outcomes. Tunisia has built a shaky democracy; Egypt has sunk back into authoritarianism. Several of the essays in this collection set out to understand why. One contributor, Rached Ghannouchi, the leader of Tunisia's Islamist party, Ennahda, explains its history of cooperating with other parties. After the revolution, Ennahda advocated a system of proportional representation, preventing



itself from winning national elections outright and provoking a backlash from “the deep state,” precisely the mistake that Egypt’s reformers later made. Ghannouchi’s successful pragmatism stands in contrast to the clumsiness of Egyptian President Mohamed Morsi, who was deposed in 2013, just a year after taking office, following widespread protests. Tunisia was also helped by its tradition of civilian control of the military, whereas in Egypt, things were the other way around. Finally, Tunisia took an extended period to write its constitution; Egypt did a rushed job. Despite its subtitle, the collection does not consider every part of the Muslim world (although it does get beyond the Middle East, with fine chapters on democracy in India and Indonesia). Nevertheless, it is an important and often original work.

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*The House of Islam: A Global History*  
BY ED HUSAIN. Bloomsbury, 2018,  
336 pp.

Husain offers a layman’s, not a theologian’s, understanding of Islam. As a young man, he immersed himself in Salafism, the literalistic and puritanical interpretation of Islam spread by Saudi Arabian proselytizers and funded by the country’s petrodollars. Later, he rediscovered Sufism, a faith and culture that he estimates has been adopted by around 80 percent of Muslims over the religion’s 1,400-year history. Sufism embraces music, dance, poetry, and sex as aspects of the quest for God. It respects other faiths and accepts human frailty. Husain believes the Salafists and other orthodox extremists have hijacked Islam. He has founded a think tank, Quilliam, to help

more moderate Muslims win it back. It is not clear whether Husain’s engaging treatise is aimed at Muslims or non-Muslims, but he evidently thinks that Muslims are primarily responsible for the emergence of extremism in their communities. There is an urgent question underlying the book: Is Salafism an aberration from a religion characterized by tolerance, reason, and agency for women, or is it the tip of an iceberg of literalism, sexism, and violence? Husain clearly believes the former, although he does not address the question in detail.

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*Inside the Arab State*  
BY MEHRAN KAMRAVA. Oxford  
University Press, 2018, 320 pp.

In this useful synthesis, Kamrava reviews the best empirical studies and theoretical analyses of political transitions in middle-income countries to illuminate the recent trajectory of the Arab world. The uprisings of 2011 marked a “critical juncture,” he argues, in which citizens called into question entrenched institutional arrangements. The possibility for revolutionary change was real, Kamrava claims. But he offers no all-encompassing explanation for why such change mostly failed to arrive. He argues that the era of larger-than-life leaders in the Arab world has ended and presents interesting data from a 2016 public opinion survey of Arab citizens that showed a strong preference for democracy and disillusionment with existing parliaments and parties. Overall, Kamrava sees the events of 2011 as more analogous to the start of the long period of democracy building that began in Europe in 1848 than to eastern Europe’s rapid transitions after 1989.

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*Radical Arab Nationalism and Political Islam*

BY LAHOUARI ADDI. TRANSLATED  
BY ANTHONY ROBERTS. Georgetown  
University Press, 2017, 288 pp.

This provocative book argues that in Europe, the nation-state emerged after centuries of violent experimentation, but that in the Arab world, that process was inverted: first came the states, and then came the messy experiments. In the immediate postcolonial period, Arab states quickly formed. Arab nationalists tried to create strong governments by centralizing power and depriving their citizens of all autonomy. That approach failed, and by the 1970s, Islamists, inspired by the theologians Abul Ala Maududi and Sayyid Qutb, offered an alternative vision that valued individuals—but only as members of the Islamic community, the *ummah*. Neither movement had any use for social sciences, which Addi argues are vital to nation building. In Addi's view, modern economic life promotes individualism and secularization. In the Arab world, that process will take a long time. Yet Addi does not take the prospect of a revived Islamist caliphate seriously, nor does he believe the Arab world will drift into illiberal democracy, as has happened in Russia and Turkey.

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Asia and Pacific

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*Andrew J. Nathan*

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*Silent Invasion: China's Influence in Australia*

BY CLIVE HAMILTON. Hardie Grant, 2018, 376 pp.

*The Third Revolution: Xi Jinping and the New Chinese State*

BY ELIZABETH C. ECONOMY.  
Oxford University Press, 2018, 360 pp.

These two books—the first a heated polemic, the second a work of cool-headed analysis—exemplify the recent shift to more skeptical Western attitudes toward China. Hamilton's investigative reporting reveals the flows of Chinese money to Australian politicians and institutions and the connections of prominent Chinese Australians to Chinese intelligence agencies. Hamilton argues that Australia's open society, multicultural values, tradition of international collaboration in scientific research, and economic dependence on Chinese exports, tourists, and students leave the country ill equipped to resist large-scale, coordinated Chinese influence and espionage efforts. Many Australians do not even comprehend the extent of the problem. Hamilton dubs numerous Australian politicians, academic administrators, and media personalities “apologists and appeasers” for China and pushes back against charges of racism by arguing that it is Beijing, not he, that expects all ethnic Chinese to pitch in for the motherland regardless of their citizenship. The book has sparked controversy

in Australia, and the government has begun to make policy changes intended to protect Australian democracy.

Economy shows how China's predatory approach to other countries is connected to changes in its model of domestic development. Chinese President Xi Jinping has declared a "third revolution," following Mao Zedong's communist revolution and Deng Xiaoping's liberalizing economic reforms. Xi seeks to modernize China by suppressing dissent and reinforcing state control of society, the Internet, and the economy—all while also pushing for technological breakthroughs. Xi's model comes with risks, including disaffection among intellectuals, wasted investment, and stunted innovation, but for the time being, it is powering China's dramatic rise. Economy argues that China under Xi is "an illiberal state seeking leadership in a liberal world order." It practices a one-way form of globalization by pushing exports, capital, people, and political values out while barring foreign influences from coming in. Like Hamilton, Economy believes that this asymmetry poses dangers to open societies. She calls on the United States to compete more vigorously for technological, economic, and diplomatic leadership and to push back against Chinese investment restrictions and visa denials with reciprocal actions.

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*Japan's Population Implosion: The 50 Million Shock*

EDITED BY YOICHI FUNABASHI.  
Palgrave Macmillan, 2018, 235 pp.

Japan's birthrate of 1.43 children per woman, which is far below the level necessary to replace the current population, is causing the country to age and

its economy to falter. As the country's welfare needs grow, the government's capacity to meet them is declining. Smaller cities can no longer afford to pay for adequate public services, pushing young people to move to a few big cities, such as Tokyo, and stranding older people in solitary environments. Today, Japan is a major power of 127 million people who enjoy high living standards; by the end of this century, it could be a minor power of 50 million people who are relatively poor. This book, by a panel of experts, recommends that the government let older people work longer and that it protect the vitality of select smaller cities by encouraging business investment and improving access to health care, education, and other public services. The book's contributors also urge the government to offer economic incentives to couples to have more children and create policies to improve people's work-life balance. Such steps, they argue, might prevent the population from falling below around 80 million by the end of the century. But the authors refrain from suggesting major changes to Japan's restrictive immigration policies. They seem to believe that Japanese society is too homogeneous to absorb foreigners as readily as other big developed countries do.

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*The New ASEAN in Asia Pacific and Beyond*

BY SHAUN NARINE. Lynne Rienner, 2018, 309 pp.

The ten member states of the Association of Southeast Asian Nations use the phrase "ASEAN centrality" to express the idea that the region's fate should be decided chiefly by them, and not by

outside powers such as China, India, Japan, or the United States. That is an elusive goal given the organization's institutional weakness. Although the group has issued numerous declarations and adopted a charter, its members have committed themselves to little more than constant meetings. ASEAN was unable to resolve the Asian financial crisis of 1997–98, prevent human rights violations in Cambodia and Myanmar, or stop Indonesian farmers from polluting the air across the region by burning forests. Yet as Narine's nuanced survey shows, ASEAN has forced outside powers to pay more attention to the region's collective interests than they would have done if the organization did not exist. And as great-power relations continue to shift, ASEAN may yet prove a force to be reckoned with.

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*South Korea at the Crossroads: Autonomy and Alliance in an Era of Rival Powers*  
BY SCOTT A. SNYDER. Columbia University Press, 2018, 376 pp.

In this history of South Korean foreign policy from the presidency of Syngman Rhee, who was in power from 1948 to 1960, through that of Park Geun-hye, who resigned last year, Snyder expertly describes the frustrations of a middle power that faces a persistent threat and depends on an inconsistent ally. Successive South Korean presidents have oscillated between attempts to punish North Korea and efforts to befriend it. The United States has also shifted between punitive and conciliatory approaches to Pyongyang, but it has often been out of sync with Seoul. Pyongyang has usually kept the initiative, shifting from provocations to talks and back again, always

in search of concessions. Today, as well as mediating between Pyongyang and Washington, South Koreans are also debating how to balance a rising China against an unpredictable United States. Even though South Korea is one of the world's richest and best-armed countries, autonomy remains frustratingly out of reach. If South Korea loses faith in the U.S. alliance, Snyder warns, it may well align with China.

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*Pakistan's Nuclear Bomb: A Story of Defiance, Deterrence, and Deviance*  
BY HASSAN ABBAS. Oxford University Press, 2018, 356 pp.

Abbas explores the ideological and political world of Abdul Qadeer Khan, commonly known as A. Q. Khan, the brilliant engineer who guided the development of Pakistan's nuclear weapons program and then sold the technology to Iran, Libya, and North Korea. Khan was a fervent patriot, a Muslim nationalist, an anti-Semite, an anti-American, and an overweening egoist. He proliferated nuclear technology both to spread his ideology and to satisfy his intense greed. Islamabad eventually labeled him a rogue proliferator, but along the way, he had many enablers. In the 1950s, the U.S. Atoms for Peace program built the foundation for Pakistan's nuclear establishment. Western universities trained the scientists who later joined Khan's team. European companies supplied him with components. Pakistani military and political leaders collaborated with Khan or turned a blind eye to his activities. Even today, Khan remains a national hero in Pakistan and lives under the protection of the government. Abbas' diligent scrutiny of public sources and



his intimate knowledge of Pakistani politics make this the most authoritative study yet written of Khan's complicated story.

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*Blood Letters: The Untold Story of Lin Zhao, a Martyr in Mao's China*

BY LIAN XI. Basic Books, 2018, 352 pp.

Lin Zhao was executed in 1968 in Shanghai's Tilanqiao Prison for her opposition to Chairman Mao Zedong, and she became famous in the post-Mao period when some of her many letters from prison, mostly written in her own blood, were given to her family by prison officials and published online. (They now reside at Stanford University's Hoover Institution.) Lin's passionate, literate, and penetrating cellblock writings form the basis for Lian's moving account of her tragic life. In the early years of Mao's rule, Lin was an enthusiastic communist. But she fell afoul of the leadership during the Hundred Flowers movement, when intellectuals were invited to criticize the Chinese Communist Party. She "resisted reform" through long periods of ostracism and imprisonment, eventually reconverting to Christianity, her family's religion. She was tortured in prison by guards who handcuffed her for long periods, exposed her to freezing temperatures, and left her in solitary confinement. As her letters wavered between clarity and delirium, her jailers accused her of "madly attacking, abusing, and slandering [the Chinese Communist] party and its leader." After Lin's death, her grave became a pilgrimage site for pro-democracy activists, and in 2004, the Chinese independent filmmaker Hu Jie made a documentary about her.

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## Africa

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*Nicolas van de Walle*

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*Rwanda: From Genocide to Precarious Peace*

BY SUSAN THOMSON. Yale University Press, 2018, 344 pp.

**D**espite a steady supply of books about the Rwandan genocide of 1994, there exist remarkably few serious studies of the regime that emerged from the devastation, led by President Paul Kagame. Under Kagame, Rwanda has become a darling of international donors and has consistently received more foreign aid per capita than most other developing countries. Media reports often laud the government's focus on economic development—Rwanda has boasted an average annual growth rate of eight percent since 2001—and describe its autocratic tendencies as unfortunate but understandable given the country's history and continuing security concerns. Thomson offers a much more complex analysis, revealing how the regime continues to define itself in relation to the genocide and that, as a result, it has never quite escaped the logic of ethnic partisanship. The Kagame government, in her account, is a dictatorial police state that systematically favors a narrow stratum of urban Tutsi elites at the expense of the rest of the population. The government's backers argue that ensuring rapid economic growth will inoculate the country against ethnic conflict, but Thomson suggests that resentments are mounting below the surface, as growth

has only modestly reduced poverty and dramatically increased inequality.

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*Africa's Lost Leader: South Africa's Continental Role Since Apartheid*

BY JAMES HAMILL. Routledge, 2018, 128 pp.

In 1994, with the end of apartheid and the introduction of majority rule, most observers believed that South Africa was destined to become a regional hegemon, given its large economy and its highly professional and well-equipped army. Hamill carefully explains why South Africa's international standing has instead waned over the last two decades. Thanks to the apartheid state's history of bullying and military intervention in southern Africa, the new democratic government was reluctant to take on an explicit leadership role in the region. In recent years, the country's stagnant economy and poor governance have limited its attractiveness as a role model and its ability and willingness to exercise influence. Hamill also emphasizes the sharp decline of the South African armed forces, after years of neglect and underfunding. Military spending has dropped from 4.4 percent of GDP in the final years of white minority government to just one percent today, sharply reducing South Africa's ability to project power beyond its borders.

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*Robert Mugabe*

BY SUE ONSLOW AND MARTIN PLAUT. Ohio University Press, 2018, 208 pp.

This excellent short biography of former Zimbabwean President Robert Mugabe covers his life from Zimbabwe's

independence, in 1980, to his ouster last year in a military coup. Mugabe devoted his entire adult life to politics, first as the ascetic and ruthless leader of a nationalist independence movement, a period during which he spent much time in prison, and then as the triumphant ruler of a new nation. Once in power, he at first surprised observers with his magnanimity toward his erstwhile enemies, leaving the economic power of whites largely untouched. But in the 1990s, when the Zimbabwean economy declined, Mugabe turned to a racially tinged populism; his seizure of white farmers' land led directly to the collapse of the economy but allowed him to reward his rural base, whose support kept him in power. Onslow and Plaut make clear that Mugabe's approach to power was always autocratic and repressive, and they sharply note the gap between his Marxist rhetoric and the vast personal riches he amassed and his enormous corruption.

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*Money for Votes: The Causes and Consequences of Electoral Clientelism in Africa*

BY ERIC KRAMON. Cambridge University Press, 2017, 244 pp.

Kramon's study of electoral patronage in Kenya represents a valuable addition to the burgeoning literature on political competition in Africa. The conventional wisdom holds that African politicians often buy voters' support with cash payments or other perks. For that to work, however, politicians would have to be able to monitor individual votes; otherwise, people might take the money but then vote their conscience. And in fledgling democracies with poorly organized political parties, the ballot is likely

to be secret, as parties are often too weak to monitor individual votes. Yet politicians continue to disburse large sums even without any obvious way to confirm that they'll get what they've paid for. Kramon estimates from his surveys of Kenyan voters that the average candidate for Parliament in Kenya's 2007 elections spent \$48,000 on handouts. Kramon's ingenious solution to this puzzle is that offering such handouts should not be thought of as buying votes at all; politicians instead spend money to signal to voters that they will be generous to their constituencies if elected: a handout from a candidate is more like an initial deposit on a future payment than a quid pro quo. As evidence, Kramon shows a positive correlation between pre-election handouts and post-election development spending across Kenyan constituencies.

Jowell, a former analyst at the International Peace Support Training Center in Kenya, uses officer-training programs as a lens through which to analyze the logic and effectiveness of peacekeeping. The picture is not pretty, but it is instructive. Curricula at training centers are poorly designed. Participants are often attracted more by the stipends they receive and by opportunities for career advancement and foreign travel than by a desire to learn. Western donors pump in a great deal of money, but they show little concern about the low quality of the training. Yet Jowell shows that despite all these shortcomings, these training centers are creating a pan-African military ethos by forging international networks of officers with shared experiences and a common language. 🌐

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*Peacekeeping in Africa: Politics, Security, and the Failure of Foreign Military Assistance*

BY MARCO JOWELL. I.B. Tauris, 2018, 288 pp.

As Western countries have come to rely on African militaries to carry out peacekeeping operations, a complex web of training facilities for peacekeepers and programs to improve cooperation between armed forces has emerged, mostly funded by Western donors. At the core of this system are a small number of training centers. In this book,

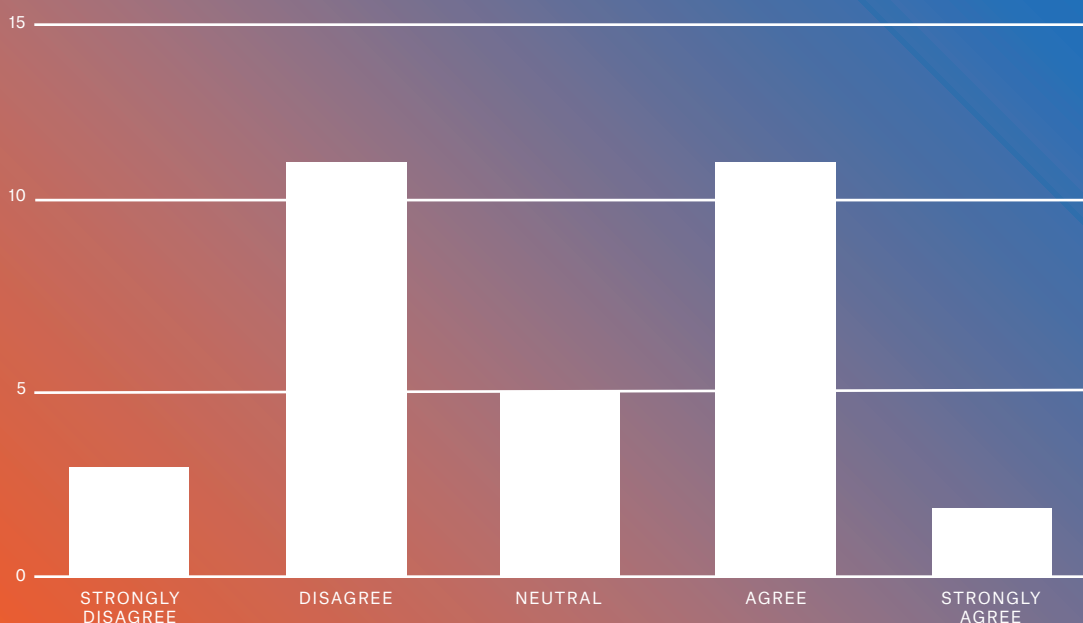
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# A U.S.-Chinese Clash of Interests?

## *Foreign Affairs* Brain Trust

We asked dozens of experts whether they agreed or disagreed that U.S. and Chinese national interests are fundamentally incompatible. The results from those who responded are below:



**STRONGLY DISAGREE, CONFIDENCE LEVEL 8**

**Yuen Yuen Ang**

Associate Professor of Political Science,  
University of Michigan

“The belief that U.S. and Chinese national interests are fundamentally incompatible is dangerously self-reinforcing. If American and Chinese policymakers hold this belief, they will make policies that undermine each other, and the more they do so, the more the two nations will appear to be incontrovertible enemies.”



**AGREE, CONFIDENCE LEVEL 8**

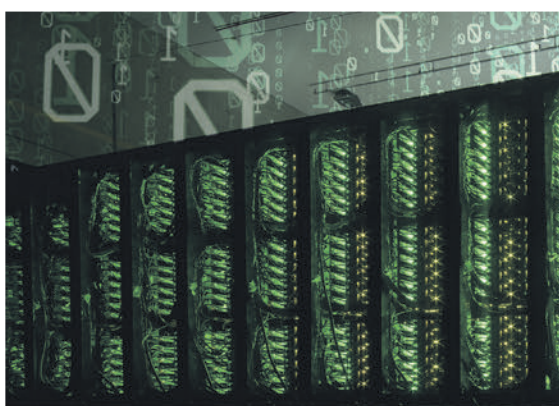
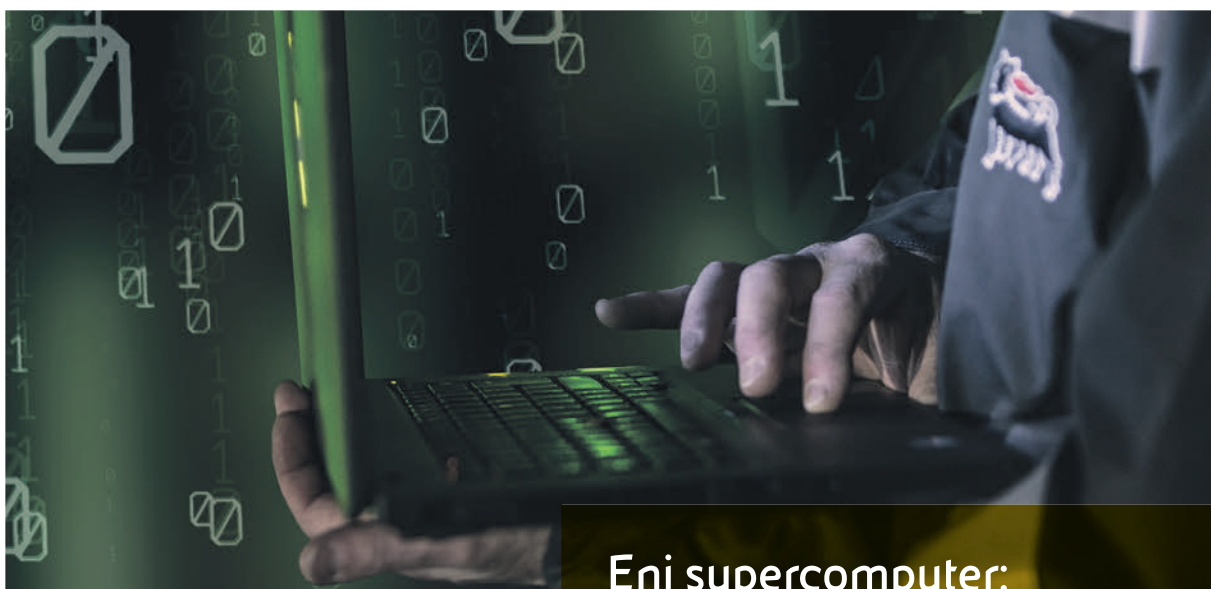
**Ely Ratner**

Vice President and Director of Studies,  
Center for a New American Security

“In Asia, where the strategic competition is most consequential and immediate, U.S. and Chinese aspirations are irreconcilable, despite shared interests on international economic and transnational issues.”

→ See the full responses at [ForeignAffairs.com/USChineseClash](https://ForeignAffairs.com/USChineseClash)





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